



THE INDEPENDENT

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TODAY'S NEWS

Train crash driver lacked backup

The driver of the InterCity train which crashed in west London, killing six passengers, on Friday had no technological safety systems to protect the train. Both of the failsafe mechanisms were out of action, one because it was unreliable; the other had broken down. Commuters who normally use Paddington station were advised that trains from Reading would go to Waterloo; they should allow an extra hour for their journey. Page 3

Moron and a menace

The fiery row between George Soros, philosophic financier, and Mohamed Mahathir, Prime Minister of Malaysia, is being conducted in front of the world's most eminent businessmen, bankers and government treasurers at the annual International Monetary Fund meeting in Hong Kong. Mr Soros, according to Dr Mahathir, is a "moron" who engages in an "unproductive, unnecessary and immoral trade"; Mr Soros hit back, calling Dr Mahathir "a menace to his country". Page 18

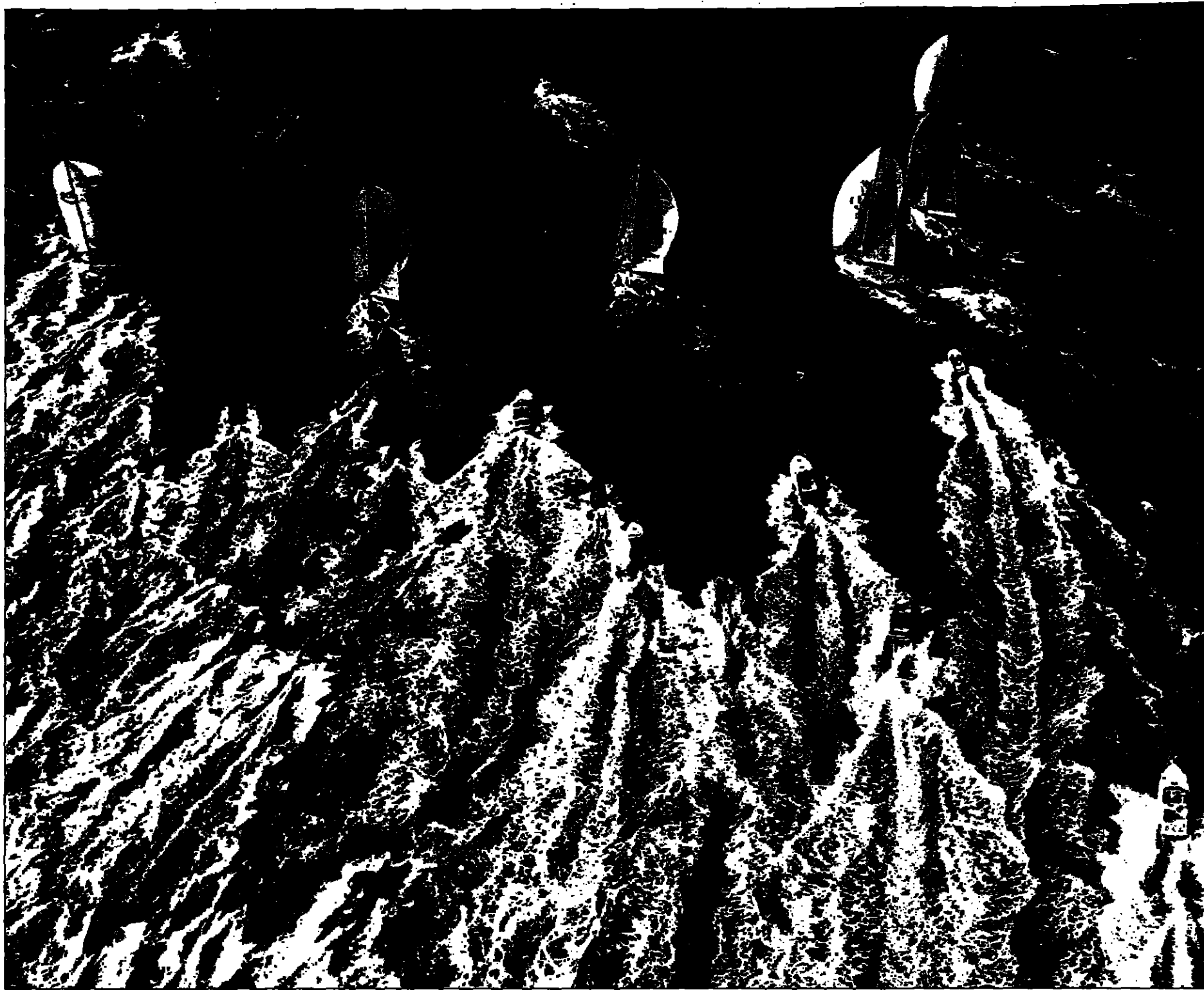
Saddam's missile plan

Evidence is emerging that, six years after the end of the Gulf war, Saddam Hussein is still trying to develop chemical, nuclear and biological weapons, along with the capacity to fire them at one or other of his countless enemies using long-range missiles. Patrick Cockburn reports on a recent investigation which has found that Iraq has bought some Russian weaponry on the international black market. Page 3

Paddy, risk taker

The Liberal Democrats open the first full day of their party conference today in some tension over their future direction. Paddy Ashdown, leader, warns his party in an interview with The Independent that policy risks will be needed. One of his key advisers, Lord Holme, said closer links with Labour were inevitable once voting reform is introduced - but Charles Kennedy, the party's former president, warned that increasing co-operation with Labour "could blunt our distinctive identity". Pages 6 & 15

Round-the-worlders race for the open sea



Ocean colour scene: The 10 competitors in the seventh and final Whitbread Round-The-World Race begin their gruelling nine-month endurance test in the Solent yesterday. The race, which began in 1973, pits the crews and their yachts against the elements in some of the most inhospitable waters on Earth. Grant Dalton, skipper of Merit Cup, was at the helm as it rounded the Needles in third place. Read the first of his exclusive race reports today on page 19 of The Independent's 24-page Sport tabloid Photograph: Peter Jay

Royal Family advised to give up the Palace

Long-term plans to turn Buckingham Palace over to the nation are being discussed in some Royal circles. Anthony Bevis and Kim Sengupta report on a bold modernisation scheme for the monarchy in the 21st Century.

Plans for the Royal Family to quit Buckingham Palace and hand it to the nation as the "People's Palace" have been under active consideration by some royal advisers for the past year. The Independent has been told by authoritative sources. The overwhelming public reaction to the death of Diana, Princess of Wales, has given the proposal fresh impetus.

Spokesmen for both the Palace and the Government have categorically stated that there is no question of the Queen leaving the Palace. A Buckingham Palace spokesman said: "This is not under consideration here."

But The Independent has been told that there is a longer-term modernisation programme under consideration for the succession of Prince Charles, or his son, Prince William.

The full package of Blair-style plans for a "New Monarchy" modernisation strategy has not even been hinted at, but the proposal for Buckingham Palace to be turned over to the nation gives a flavour of the bold thinking that is going on

among some royal advisers. They want the monarchy to become less aloof, more open, and more in touch with the people. One of their greatest problems is the stiffness of Prince Charles who, unlike his former wife, finds physical contact difficult.

Certainly, the "nationalisation" of the Palace, which would be opened to visitors all year round, would be a popular money-spinner. The opening of the Palace state rooms - to raise funds for the refurbishment of Windsor Castle at

the Royal Family with apartments at Buckingham Palace are the Princess Royal, the Duke of York, and Prince Edward. It is possible for London homes to be found for them at St James's or Kensington palaces.

Royal sources emphasise that there is no intention of "selling off" the Palace. There are around 400 staff working there, and they need not be affected by any proposed changes. The Palace could continue to be the administrative centre for the Royal Household,

The counter-argument said to have been used against this in royal circles is that some spare apartments can be kept at the Palace, and visiting dignitaries can be put up at the other palaces. Windsor has been used in the past.

The Palace proudly pointed out in June that the estimated £36m cost of the restoration of the fire-damaged area of Windsor Castle, due for completion ahead of schedule in November, has not required one additional penny of government funding. A report said: "Seventy per cent of the cost will be met from visitor admissions to the state rooms at Buckingham Palace and the precincts of Windsor Castle and 30 per cent from savings in the grant-in-aid."

The grant-in-aid, the public contribution, for the occupied Royal Palaces was £19.6m in the year to April a reduction of almost one-third in real terms, after inflation, since 1991.

But an opening-up of the Palace could provide a healthy profit - cutting the costs of upkeep for the other palaces: St James's, Clarence House, Kensington Palace, and Windsor Castle.

Buckingham Palace maintenance costs were £5,110,000 last year, with a further £1,811,000 going on the Palace Mews and gardens. About £20m has been raised from visitor contributions over the last four years - with £9,486,000 last year alone. That makes Buckingham Palace a "going concern", and a potential goldmine if it was to be fully opened up to feed the infinite public interest in all things royal.

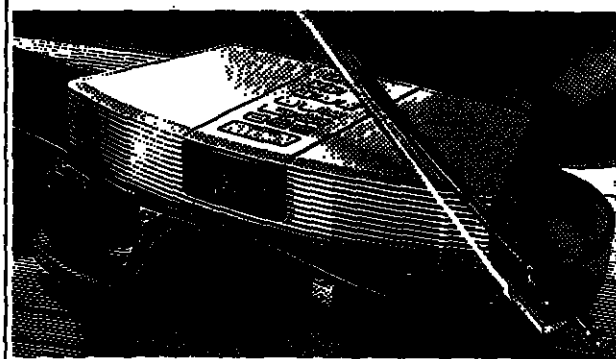


WAVING FROM THE BALCONY

while the historic state rooms, with all their treasures, could be opened up to the public all year round.

A variation on the plan would have involved opening up part of the Palace all year. But this has been deemed to be impractical and an infringement on the privacy of the Royal Family. Some courtiers believe it would be a mistake for the Royal Family not to keep the Palace as the monarchy's symbolic home in the nation's capital. They also point out that it is needed during state visits.

The Prince of Wales has "expressed no great desire" to move into the Palace if he became King. Other members of



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British children may not be so badly taught as we thought, in comparison to their French counterparts. Judith Judd looks at research that suggests pupils this side of the Channel may be better prepared for a flexible working life.

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Do mobile phones fuzz your short-term memory? Plus, new guidelines on circumcision from the General Medical Council.

6/POLITICS

Paddy Ashdown opens the Liberal Democrat annual conference in Eastbourne with a call to his party to be bold. In London, Home Secretary Jack Straw is preparing to introduce legislation making it easier for courts to hold parents responsible for their children's good behaviour.

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A country with the reputation for one of the most materialist reputations in Asia, but its capitalist values are under threat from growing Islamic social pressure.

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Richard Tyler is a British designer who is barely known in Britain. But if you're a Hollywood star, your wardrobe overflows with his work. Admire his wares.

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Deborah Ross chases Edwina Currie to Birmingham, where Edwina chases bookbuyers in the hope of selling them her latest bonkbuster.

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Tom Sutcliffe starts a new Monday column by congratulating Ted Turner on his \$1bn munificence – and encourages other billionaires to join in. Polly Toynbee says Labour's Welfare to Work programme is certain to succeed, and Anthony Bevin interviews Paddy Ashdown on the first full day of the Liberal Democrat conference.

17-19/BUSINESS & CITY

Steven Vines at the International Monetary Fund meeting in Hong Kong describes the escalating war of words between international financier George Soros and Mohamad Mahathir, the Malaysian premier.

20/HERITAGE

One of Scotland's largest estates, bought by an American billionaire for his former belly-dancing wife – because it is next door to Balmoral – has been rescued by the National Trust. Stephen Goodwin went to look.

SPORT

A 24-page section (hence the smaller main section today), with all the weekend's events, plus an interview with golfer Colin Montgomerie.

EYE ON MONDAY

Ian McKellen's first night in *An Enemy of the People* at the National, reviewed by Paul Taylor. And has Steve Bochco gone too far this time?

MEDIA

Michael Heseltine retreats from politics and returns to publishing. Kitty Kelley confronts *The Independent's* own cut-glass Brit, and Neil Lyndon proposes that part of the Diana memorial fund should go to help people sue newspapers for libel.

PEOPLE



Substance takes a back seat as presidential candidates plan to emulate Mary's style

Behind the contest between four women candidates for the Irish Presidency an equally intense battle is in prospect between Dublin's dress designers.

Widely-admired clothes helped define the new elegance, colour and *gravitas* Mary Robinson, pictured, brought to the post. Clothes also echoed the Robinson message. Soft lilacs, purple or mossy-greens accentuated a fresh determination to take a once-stuffy Presidency out to ordinary people with a sympathetic message.

Robinson couture made her favourite designer, Dublin's Louise Kennedy, nationally-known, starting with a stunning anethyst-purple tailored silk-moire jacket for her 1990 inauguration. It was particularly memorable as she was surrounded there by a sartorial legacy of the old order, an entirely elderly male political establishment in grey suits.

As would-be successors set out their stalls last week, matching that style legacy was clearly going to be important. Fianna Fail's Mary McAleese appeared after her nomination in a neatly-tailored regal black suit with a pale gold silk blouse and pearls.

The favourite, anti-nuclear campaigner Adi Roche, appeared in an arresting lemon two-piece,

then in a long dark outfit and characteristic quirky ear-rings, suggesting a youthful radical edge over older rivals.

Fine Gael's Mary Banotti's official photo saw her in immaculate dark jacket with distinguished top-stitching and gleaming white blouse with a more glamorous deep neck-line than normal for the office. Dana was less flamboyant, in a plain bright blazer and staid ankle-length flowery dress.

Such stylistic emphasis may seem superficial, but in the last poll a key turning-point was Mrs Robinson's "makeover", turning a frumpy barrister, hair blowing to the winds, into a vision of career-woman smartness, sporting designer specs and newly-discovered legs. Mrs Robinson, first female head of state in a country still to produce a woman premier, drew curious interest over how differently she would appear from male predecessors.

Irish elections have long seen US-influenced personality advertising. The recent election hinged on a powerful poster-image of Bertie Ahern, now Taoiseach, as the epitome of concern above the slogan "People before politics".

— Alan Murdoch and Paula Rowley

Police arrest girlfriend of MI5 whistleblower

Anne Machon, the girlfriend of the MI5 whistleblower David Shayler, has been arrested and questioned about a possible breach of the Official Secrets Act.

Ms Machon, 29, a former MI5 agent who left the secret service at the same time as Mr Shayler, was arrested at Gatwick Airport on Saturday as she flew into Britain.

Mr Shayler caused political controversy after describing the management incompetence and ineptitude he witnessed during his

seven years in the secret service. His account was published in a Sunday newspaper and he and Ms Machon later left the country for a secret location.

The Government was granted an injunction preventing Mr Shayler from making further disclosures about MI5, but Ms Machon later gave an interview supporting everything Mr Shayler had said.

He claimed that MI5 held files on Peter Mandelson, Minister without Portfolio, and Jack Straw, the Home Secretary.

Ms Machon is believed to have alerted police to her return from Barcelona at the weekend and was questioned for six and a half hours at Charing Cross police station before being released without charge on police bail.

John Wadham, the solicitor representing the couple, said: "The authorities should be concentrating on finding ways of making MI5 more accountable rather than arresting and questioning my client."

— Kate Watson-Smyth

Forbidden Diana stamps in public domain

Leaflets containing pictures of a set of stamps commemorating Diana, Princess of Wales, were mistakenly sent out to collectors before plans to put them on sale last week were dropped because Buckingham Palace withheld formal approval.

Copies of the leaflet, containing pictures of the five 26p stamps (pictured), were then hastily withdrawn and destroyed by the Post Office, but at least one survived.

Peter Jennings, a collector, said he understood Buckingham Palace had given initial consent

but Earl Spencer, Diana's brother, had intervened to delay the commemorative issue.



"I appeal to Earl Spencer and his family to allow Royal Mail to issue the Princess Diana stamps in the near future," he said.

"Postage stamps would make a wonderful and lasting tribute to the Princess, and would be collected by philatelists and non-stamp-collectors throughout the world for years to come." The idea for the stamps was put "on hold" last week after a Palace spokesman said the Spencer family wished to delay the issue to allow further consideration.

— Kate Watson-Smyth

UPDATE

SOCIETY

Women facing poverty in old age

A "frightening" number of women face a poverty-stricken retirement, says a report published today.

Women's average retirement income is just £138 a week, though those in Wales and the North of England have to survive on an average of less than £120 a week. The figures were published by the Trades Union Congress as it launched a national campaign aimed at raising women's awareness of the importance of pensions and calling on the Government to take action.

A freephone pensions helpline (0800 882123) will operate this week offering advice on a range of pension-related issues, including finding out about your pension rights, part-time working and maternity leave. The £138 UK average weekly income for women over 60 compares with £159 for men. The TUC said its message to women was: "It is never too late to start thinking about a pension."

EDUCATION

Labour voters support assisted places

More than half of the country's Labour voters still back the use of government money to support children from low-income families at independent schools, according to a poll. And a majority of parents would send their children to independent schools, if they could afford the fees.

The findings, in a survey by the Independent Schools Information Service (Isis), come despite the Government's abolition of the Assisted Places Scheme to fund smaller primary school classes – one of the key pledges on which it fought the general election.

David Woodhead, director of Isis, said: "There is no sense in trying to re-fight old battles. But it is important that the Government recognises that public support for the use of state funds to support low income families at independent schools remains very strong."

"It is equally strong amongst the people who voted it into power this May. Most people no longer bring any ideological baggage to this debate; they simply want to see good schools more widely available."

The survey, involving 1,871 parents in 167 constituencies, found that 59 per cent overall supported state funding of independent school places for poorer children.

TELEVISION

'Street' fight ruled acceptable

Angry *Coronation Street* fans who were left fuming when Curly Watts was head-butted by Les Battersby have had their complaints rejected by a television watchdog.

The Independent Television Commission received 79 letters and calls from viewers who said the Battersbys' antics had gone too far. Viewers saw Curly (Kevin Kennedy, pictured) confront Les (Bruce Jones) after his daughters refused to turn their ghetto-blasters down, and they saw Curly fall to the ground but not the head-butt itself. The Battersbys, dubbed "the family from hell" moved to Weatherfield this summer as Granada executives adopted harder-hitting storylines to boost ratings.

The ITC carefully considered the scene screened on 14 July but did not uphold the complaints. It said the scene did not go beyond viewers' expectations at this time of the evening. A *Coronation Street* spokeswoman said: "Bringing new characters into a long-running drama serial always prompts reaction from viewers and the Battersbys are no exception."



EMPLOYMENT

Scottish workers bored

One in four Scottish workers suffers boredom or frustration at work, according to a survey published today.

The boredom led to people working as little as possible – and spending more time on personal work, telephone calls, and taking longer lunch hours, the survey said. Boredom was also prompting more people to seek new jobs, bringing increased staff turnover costing companies millions of pounds a year, said the report, entitled *The Cost of Boredom v The Value of Motivation* and published by Investors in People UK.

"Boredom and frustration at work is often the result of an employer's lack of involvement with the company's goals and a feeling that their ideas are not wanted or listened to," said the company's chief executive, Mary Chapman. But there did seem to be an answer, with employees asking to become more involved. This week, thousands of companies will be able to take heed as they take part in events across the country to mark Investors in People Week, to highlight the importance of motivation in creating a happy and efficient workplace.

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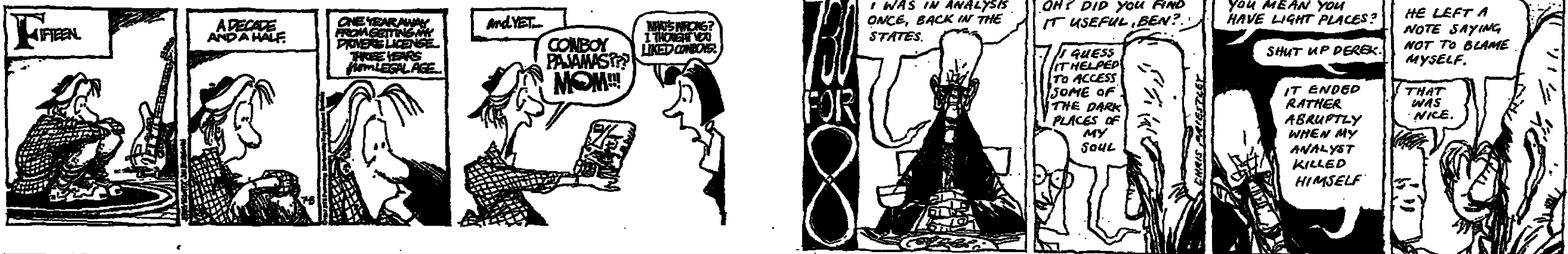
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Failure of safety system and back-up led 10.32 to disaster

A second safety system which could have prevented the fatal train crash at Southall was not working, Kim Sengupta and Louise Jury investigate why the driver was left "naked".

As the driver of the 10.32am InterCity Swansea-Paddington service headed towards London on Friday, he was operating with no technological back-up.

The failure of his Automatic Warning System (AWS) left him dependent on his own observation of signals while travelling at up to 125 mph. Until last year, when a new agreement was reached by rail unions and Great Western Railways, a second driver would have been in the cab at speeds above 110mph.

Questions have been raised already about whether Automatic Train Protection (ATP), an advanced system which automatically stops a train in danger, was functioning. The introduction of ATP was a key recommendation of the Clapham rail disaster inquiry and was under trial on the tracks, but had allegedly proved unreliable when retrospectively fitted. It is thought not to have been switched on at the time of the crash.

Nevertheless, the driver should have been able to rely on AWS, an older, more basic system of warning bells in his cab. Yet sources said when the driver took over the train at Cardiff, the AWS was recorded in the log book as "isolated" - not functioning. It was normal procedure to continue to his destination where the train should have been taken out of service.

Transport insiders claimed it was understood that ATP would be fully implemented when rail unions agreed single-man

working over 110mph. Yesterday, as the clearance operation continued at Southall, Lew Adams, general secretary of the Aslef rail union, said: "We may have to look again at the question of the second man where there is no ATP installed."

But a Great Western spokeswoman said agreement was reached after examination by independent safety assessors and Railtrack's safety inspectorate. "ATP was not a requirement," she said.

The driver, who was yesterday off duty, voluntarily went to the police and made a statement on Friday. Police were investigating whether he should face manslaughter charges.

The AWS failure was not the only problem in the system, it has emerged. Five hours before the Southall crash, an accident was avoided "by a matter of seconds" at Paddington, west London. A Great Western InterCity express, from Exeter, was wrongly directed into a platform already occupied by a train, but the driver managed to stop when he saw the carriages ahead.

The trains involved in both the Paddington and Southall incidents were guided by the Integrated Electronic Control Centre based at Slough. After the near-miss, the centre was shut for an hour and 50 minutes while officials examined what had gone wrong.

At 1.28pm, while a report on the Paddington incident was still being compiled, the InterCity from Swansea leapfrogged over the freight train at Southall resulting in the six deaths and 160 injured. Computer tape recordings at Slough should show what signals were functioning as the trains proceeded. A British Transport Police source said signalling would play a crucial part in the investigation. "We certainly have not made up our minds that human error was responsible for the crash."

However, a Railtrack spokeswoman



The high speed train locomotive being removed from the scene of Friday's accident in Southall, west London

Photograph: Kalpesh Lathigra

said that different computer panels were responsible for guiding trains into Paddington and for the trains at Southall.

The most seriously injured victim of the crash has injuries worse than those suffered by Trevor Rees-Jones, the bodyguard who was injured in the car crash which killed the Princess of Wales, a spokesman for Charing Cross Hospital, London, said yesterday. The 65-year-old pensioner from Bridgend, Glamorgan, faces painful surgery to rebuild his shattered face and body. He has undergone nine-and-a-half hours of operations and remains unconscious in intensive care.

Alan Napier, the deputy leader of Easington District Council, was also in inten-

sive care, but was said to be doing well, in the Royal London Hospital.

The clearance and repair operation was continuing under arc lights last night. The final rail carriage was removed in the early evening, but a Railtrack spokeswoman said it would take some time to check exactly what damage had been caused.

British Transport Police investigators carried out final searches of the most damaged carriage during the afternoon to check there were no bodies left undiscovered inside.

A Railtrack spokeswoman said: "We are aiming to have service restored by Tuesday morning. Anything we get tomorrow [Monday] morning would be a bonus."

ADVICE FOR COMMUTERS

There will be no Great Western services to Paddington today but a near-normal service will operate to Waterloo.

Passengers travelling from Wales and the West have been advised to allow up to an extra hour for their journey because of the need to change trains at Reading.

Great Western will provide some additional services from Wales and the West, two to Basingstoke and four to Waterloo in the morning, with return services tonight.

Normal services from Reading to London, which run at 15-minute intervals, will be bus-

Thames Trains hoped last night that two tracks would be open at Southall through to Paddington for three hours in the morning and three in the evening, allowing a limited rush-hour service if not then, were advising passengers that would run from Hayes and then provide a bus service to Ealing, where passengers could join the Underground system. Anyone living in Slough was advised to go to Windsor.

An AA spokeswoman said the impact of the disruption was likely to be seen on the roads, with the rush hour from west London starting half an hour earlier.

Russia's nuclear arsenal gives Saddam the means for revenge

Two years ago 120 highly sophisticated gyroscopes used for missile guidance were discovered in Jordan on their way to Iraq. Patrick Cockburn reports on new revelations that they were stolen from Russian intercontinental missiles, once housed in nuclear submarines, and why Saddam Hussein, the Iraqi leader, wanted to buy them.

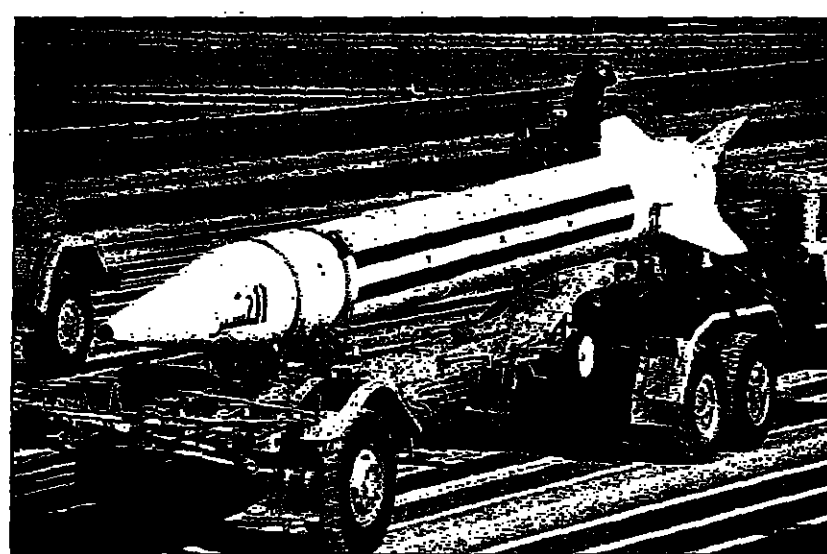
the Iraqis had used the delay to remove the documents the inspectors were after.

Six years after the Gulf war, Saddam Hussein is still trying to preserve the remnants of his programme to develop weapons of mass destruction - nuclear, chemical and biological - and the means to fire them with a long-range missile at one of his numerous enemies.

The most compelling evidence for an on-going missile programme was the discovery at Amman airport in November 1995 of 120 missile-guidance packages which could only be used in long-range missiles.

Now Andrew and Leslie Cockburn, in a book entitled *One Point Safe*, an investigation of theft and smuggling from the Russian arsenal, have traced how they got there. The missile-guidance systems - Iraq later admitted to importing a further 30 gyroscopes which it at first tried to conceal by dumping them in the river Tigris - came from Russian SS-18 missiles, formerly in nuclear submarines, which were being broken up at a plant north of Moscow under the Start-1 arms-control treaty.

According to Rolf Ekeus, head of the UN Special Commission in charge of stripping Iraq of weapons of mass destruction until June, and his staff, the mis-



An Iraqi Scud missile on parade in Baghdad. The rockets were used to attack Israel and Saudi Arabia during the Gulf war

Photograph: Sigma/Rex

sile-guidance packages - each consists of two gyroscopes and an accelerometer for accurate targeting - were bought for \$2m (£1.17m) by Iraq through an Iraqi middleman named Wiam Gharbiyya.

The purchase was authorised by a secret Iraqi agency in charge of covert weapons procurement headed by Qusai, Saddam Hussein's younger son, who is also in overall charge of the Iraqi security ser-

vices. Dr Ekeus, now Swedish ambassador in Washington, says that after investigating the sale of the gyroscopes, he was worried by what else Russia might sell Iraq. "What Iraq needs is not much," he said. "They'd be happy with twenty kilos [of bomb-grade uranium]. If they could get a hundred kilos - wonderful - that would be five [nuclear] devices."

Surprisingly, Iraq, under pressure to explain the source of the gyroscopes, allowed Nikita Smidovich, a Russian military specialist working for the UN, to interview Mr Gharbiyya, the middleman in the purchase of the gyroscopes, in Baghdad.

Mr Smidovich, formerly in charge of chemical and biological weapons affairs in the Soviet foreign ministry, believed they must have come through the black market, because ragged wires on the gyro head indicated that they had been roughly torn out of a missile. To be used again the guidance packages would require sophisticated rewiring.

Mr Gharbiyya, in his early thirties and fluent in English, cheerfully admitted that he had made several trips to Russia between 1993 and the end of 1995. He showed Mr Smidovich his Jordanian passport with Russian stamps in it. But when asked about

the gyroscopes he imported he has a bland explanation, which even Iraqi security cannot have expected Mr Smidovich to accept. He said he had made "a mistake", ignorant of missile technology, he had simply bought the wrong goods.

A year ago General Wafiq al-Samarai, the former head of Iraqi military intelligence, told the *Independent* that Iraq was concealing more weapons than the UN realised. He said: "I believe there are 40 missiles and 255 containers of biological and chemical weapons." He said the information came from a source close to Qusai. The UN inspectors say they have information that, contrary to Mr Gharbiyya's protestations, his shopping list in Moscow was provided by Dr Mudher Sadiq Saba, the chief Iraqi missile designer.

A mysterious feature of the gyroscopes is that they are not appropriate to the Scuds which Iraq fired at Israel and Saudi Arabia during the Gulf war - and which were surprisingly accurate. They could only be used in a longer-range missile. Immediately after the invasion of Kuwait in 1990 Iraq started a crash programme to build a new missile capable of carrying a nuclear warhead, but, says Dr Ekeus, "there was not enough time".

Entertainment on the bank

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Learning curve: English pupils think for themselves Photograph: Brian Harris

English children have lesson for the French

Widespread gloom about English school standards may be misplaced as research suggests that English pupils may be better equipped than French students to cope with a rapidly changing world. Yet the Government is trying to encourage teaching methods used in France. Judith Judd, Education Editor, looks at the evidence.

While French children outstrip the English in skills such as adding and subtracting, English pupils are much more willing to take risks, try things out and think for themselves.

The findings come as both countries are changing their approach to raising educational standards with the British government introducing stronger central control over the curriculum and teaching methods, and the French giving teachers more freedom.

Researchers from Bristol University and Canterbury Christchurch College argue that ministers promoting the importance of more whole-class, chalk-and-talk teaching, should realise that current teaching methods in maths are producing pupils who can tackle unfamiliar problems with confidence and imagination. They tested 400 English and French

11-year-olds using each country's national tests in language and maths. Children completed both countries' tests. Overall, English children did slightly better in the language tests. In maths, the French did better on questions involving basic arithmetic, but the English were stronger on problem-solving, analysis, probability and symmetry.

A paper prepared for the British Educational Research Association by Patricia Broadfoot with Marilyn Osborn, Claire Panel, Keith Sharpe and Brigitte Ward, argues: "French children are noticeably more reluctant to take risks."

But there are potentially significant differences in terms of how pupils are being equipped to cope with the demands of tomorrow's world. In one maths test, the children were asked to investigate statements about odd and even numbers, using calculators, and their responses were marked by placing them on one of six "levels". While 44 per cent of English children achieved above Level 3 only 26 per cent of French children did so.

The study, funded by the Economic and Social Research Council, notes the relationship between the results and teaching methods in the two countries. While the French are taught that there is one right answer and that the teacher is there to tell them how to discover it, English pupils are expected to generate their own solutions. The challenge facing France and England, researchers say, is how to get the best of both worlds.

Former PC dies after inquiry into missing wife is reopened

A former policeman who was being investigated over his wife's disappearance 26 years ago has died after suffering a heart attack at his home in Chandlers Ford, Hampshire.

Michael Johnson, 52, a former police constable, was arrested last week by detectives who had reopened the investigation into the disappearance of his wife, Caroline, in 1971. Caroline, a cook and dietician, was 25 when she vanished from the family home. Mr Johnson, who claimed that he and she had had a row and that she walked out, leaving him with their two daughters, aged two and four, was questioned for 24 hours last week while forensic experts searched his home and garden. Officers said they reopened the case after advances in scientific search techniques.

Mr Johnson, who left the police in 1974, had the heart attack early yesterday. His current wife, Angela, called emergency services but he was dead on arrival at Southampton General Hospital.

NHS trust hospitals to merge

Thirty National Health Service trust hospitals are to merge with savings being poured back into health services. Alan Milburn, the health minister, announced the merger of the trusts from April next year which will pave the way for more. It will reverse some of the Tory changes to the NHS, but it could lead to more hospitals being closed. The trend will be given a push with a White Paper on replacing the internal market in the autumn, which Mr Milburn said would "point the way towards fewer trusts and a new strategic role for health authorities".

Mr Milburn said the 16 merger proposals involving 30 trusts were "evidence of a new co-operative culture developing inside the NHS", as the Government moved to replace the internal market, in which hospitals competed with each other for resources from health authorities and GPs. But patients will be concerned by the possibility that local services could suffer. The mergers are likely to mean the transfer of some services to neighbouring hospitals to cut costs, which could increase travel to attend clinics.

Mr Milburn said improving services to patients would be the key test before mergers were approved.

Straw puts parents in charge

Police and probation officers yesterday gave cautious backing to controversial measures by Jack Straw, the Home Secretary, to make parents legally responsible for controlling the behaviour of their children. Mr Straw will unveil plans on Wednesday for parents of juvenile tearaways to be ordered by the courts to take them to school to prevent them playing truant. Parents could be forced to impose curfews on their children to stop them roaming the streets and undergo training in parenting. The measures will be included in the forthcoming Crime and Disorder Bill.

John Hicks, who chairs the Association of Chief Officers of Probation, said: "Parents should, of course, be responsible for their children, but they must also have constructive support if alone they are unable to cope with the huge problems and stresses that an errant child can create."

Lottery rollover to reach £14m

Next Wednesday's National Lottery draw will be a rollover estimated at £14m, because no one won the jackpot last night, the organiser Camelot announced. The winning numbers last night were 44, 9, 30, 38, 40 and 43, with bonus number 31.

Stones leap into computer age with live Internet link



The Stones: Planning an interactive rock concert Photograph: AP

Internet users will be able to play an active part in The Rolling Stones' new world tour by voting for a song via their PCs. But David Lister says that Jagger and co's plan to interrupt their opening concert to play their fans' most popular request could prove embarrassing.

The Rolling Stones are planning to stage the world's first interactive stadium rock concert when they begin their world tour in Chicago tomorrow.

Internet users will be able to vote on which Stones song they most wish to hear. And in the middle of the show at the Soldier Field Stadium, a screen will flash up the five most popular songs.

The decision by the band to involve their fans on the Internet could mean an embarrassing situation for them.

Two of their big hits are no longer played by the band. Sixties singles "The Last Time" and "Nineteenth Nervous Breakdown" are no longer performed by the band, according to insiders, because of the inevitable jokes that will be made about Mick Jagger singing the words.

Tomorrow, however, fans will use their personal computers to influence the band's choice of one song. The Stones will perform the song that comes out top,

and the performance will be broadcast live on the Internet.

With a back catalogue stretching over 33 years, this could mean the band either having to show remarkable powers of memory, or rehearsing hundreds of songs. They are, according to insiders, hedging their bets. They have rehearsed more than 60 songs and hope that fans will either choose a song from one of their recent albums or a well-known hit that they can improvise without rehearsal. Mischief makers on the Internet who club together to vote for a long-forgotten B-side from the early Sixties could thus cause Jagger and the band an awkward moment.

It is probably no coincidence that the tour is sponsored by Sprint, an American communications company, which is also keen to see computer involvement.

Ninety per cent of tickets for the American leg of their world tour have been sold, with 10 of the 13 dates sold out. The tour arrives in Britain next summer, when the interactive spot is also expected to form part of the concert. No venue has been announced, but Jagger is keen to hold a music festival at Brands Hatch, the racing circuit in Kent never before used for a rock concert.

This is the first attempt to involve computer users with a major rock tour. It is inevitable that if the project is a success, other stars will copy it, and a computer request section will be a staple of the stadium gig.

Banks step into political breach with warning over Year 2000 crisis

The banks are preparing to refuse to lend to companies which ignore the threat posed by the year 2000 computer timebomb.

With Government warnings muted by a lack of senior ministerial commitment and funds, Anthony Bevis, Political Editor, reports that the banks are filling the political vacuum.

Plans to pump £1bn into averting a computer breakdown in 2000 have been drawn up by Britain's banks.

Mike Young, assistant director of the British Bankers' Association told *The In-*

dependent: "We are confident that we have got the banking system under control. But nobody is issuing guarantees. This is just a mega-problem."

Without complex remedial work, some computers that recognise the year by the last two digits could go into meltdown when, in little more than two years time, they move from 99 to 00. Some computers will "think" they have gone back to 1900.

Part of the difficulty faced by the banks - and all business - is that suppliers and customers are all tied together to the timebomb. Conscious of that connection, the banks are now beginning to demand assurances.

"During next year, the questioning will get tougher," Mr Young said. "From now on, increasingly, year 2000 concerns will be a factor in credit assessments."

"I say to any business they can expect that when they go into their bank to borrow money they are going to get asked, 'how year 2000 compliant are you? How serious

an issue is it for you? What are you doing?'"

But Mr Young added: "Any business that was not into or at the [computer] testing stage by the end of next year may find itself in serious trouble, not only with the banks, but with a whole range of people."

"Its customers and suppliers are going to stop trading with it. When it gets to 1999 they are going to start saying, 'I'm not placing orders with this guy, because he's not reliable. The business may not be there when I need it.'"

Only Barclays and the Royal Bank of Scotland have issued detailed guidance to customers. Barclays tells its customers: "Having taken the necessary steps to ensure that your business will be year 2000 compliant, you should next enquire about your customers and suppliers. Their failure could have a potential knock-on effect for your business."

It then adds: "Ultimately, lenders will need to know that year 2000 problems will not damage your business."

Insurers seek escape clause for computer timebomb

Insurance companies do not pay out for damage caused by war, terrorism or acts of God - and they are about to add the Millennium Bomb to that list. Otherwise they fear it could be like asbestosis, which caused huge losses for the Lloyd's insurance market. Charles Arthur, Science Editor, reports.

Anyone running a company which relies on its computer system should read the small print of any insurance renewal in the next year or two. It is likely to include a new "escape clause" which will list effects of the Millennium Bomb.

The Association of British Insurers (ABI) has hired the law firm of Cameron McKenna to investigate the effects that the "bomb" could have on its members, who insure billions of pounds of property and the livelihoods of many professionals. The company is drafting legal exclusion clauses and trying to assess the extent of the risks insurance companies face.

As 31 December 1999 approaches, businesses are likely

to find it increasingly difficult to get insurance cover for properties and operations if they rely on computers. Those which have not made every effort both to become "millennium-compliant" themselves and to force suppliers and customers to follow suit could face soaring premiums - or even the total loss of cover.

"Companies which can show that they have made themselves compliant will be able to insure themselves against associated risks, such as the failure of their suppliers," an ABI spokeswoman said.

The Millennium Bomb arises because many computer systems may assume that after 1999, the next year is 1900.

Credit card firms take evasive action over millennium fall-out

Credit and charge-card companies are playing it safe over the "millennium timebomb", by holding back from issuing cards that would expire after December 1999.

Both Visa and American Express, which between them account for millions of cards worldwide, have been working for years to get their systems to the point where they can deal with dates that stretch into January 2000 and beyond.

However, for the moment, every card that they issue has an expiry date no later than 12/99 - the last date when the companies are certain that their systems will work. "At the moment, our 1.5 million European merchants are not all millennium compliant," said a spokeswoman for American Express. "So we are holding on and using cards which expire in 1999 until Europe is ready to accept the post-99 ones."

That could continue until January 1999, which will mean that, instead of the usual three-

year life span of standard Amex cards, there could be millions due to expire less than 12 months after they are issued.

Visa hopes to begin issuing the first post-99 cards sometime next month. For the past five years it has had a ban on any member issuing a card whose dates extend beyond December 1999. "We're approaching the end of that ban," a spokesman said. "It will be lifted when Visa is happy that this industry effort has been realised." The effort includes updating software on thousands of cash machines and payment terminals.

However, neither Visa nor American Express, which has been working on the problem for the past two years, could say how many cards would have been issued so far with a post-1999 expiry date if their bans were not in place. It is clear though that there will be an enormous glut of new cards in late 1999 - an opportunity criminals may take advantage of.

- Charles Arthur

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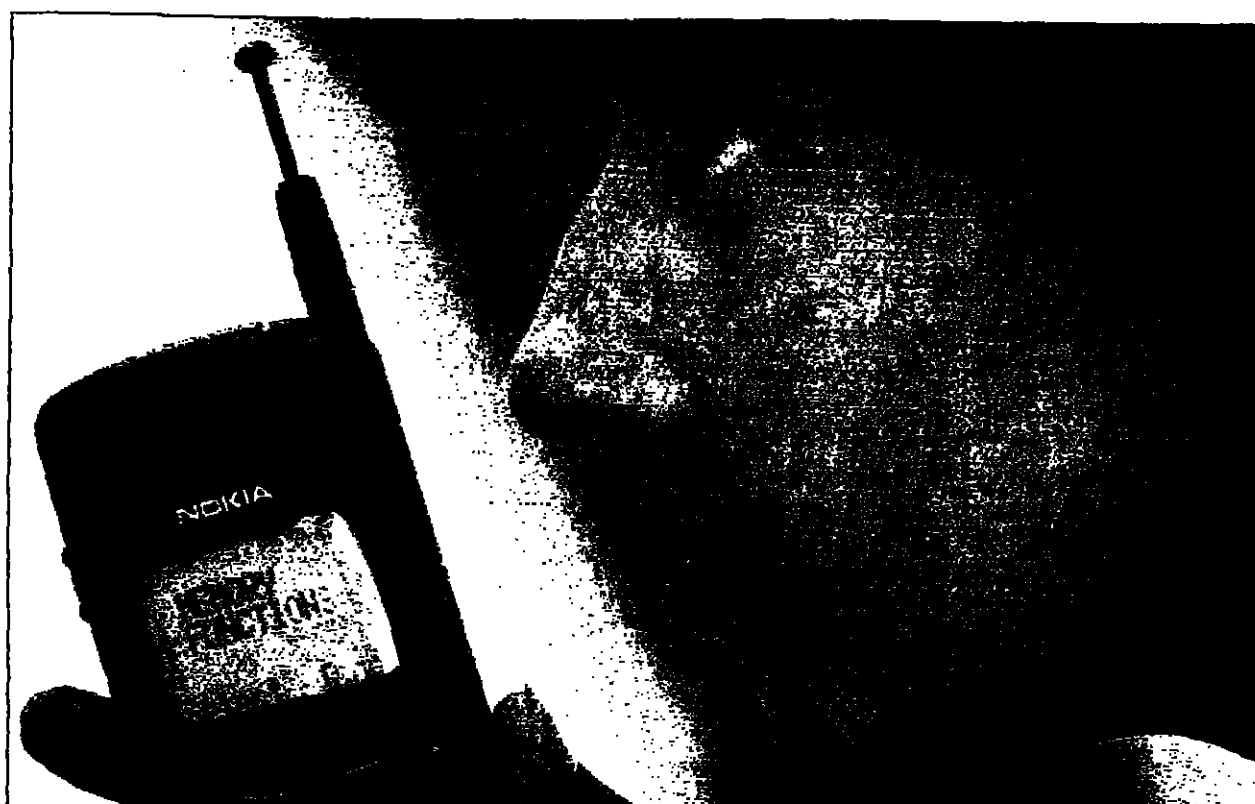
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On the line: New research suggests mobile phones may cause lapses of concentration

Photograph: Kalpesh Lathigra

Circumcision guidelines fail to answer ethics question

New guidance on the circumcision of baby boys is being issued today. But as *Jeremy Laurence*, Health Editor, reports, the ethical question of whether the operation should be carried out at all has been ducked.

It has been called the unkindest cut. Male circumcision of new-born infants on demand by parents rouses strong passions. Now doctors warn that when the children grow up they may sue their parents and doctors for assault.

Today, the General Medical

Council, the doctor's disciplinary body, is sending new guidance on the practice to all 180,000 doctors in the UK. It was forced to act after complaints about standards of care and letters questioning the ethics of the practice. The guidance says doctors performing the operation must be skilled in it, keep up to date with developments and discuss the issue carefully with the parents.

However, it does not answer the ethical question of whether it is right to perform the operation for religious or cosmetic reasons. An estimated one in five men in the UK is circumcised. Critics argue that where there is no medical justification for the procedure it amounts to an assault.

Professor Sir Cyril Chantler, chairman of the GMC's standards committee, told the council last May that male circumcision was legal and the question of whether it was ethical had to be decided by society, not doctors. If doctors did not do it, parents would be driven to back-street clinics.

The council, which has consulted on the matter since last year, said some "strong views" had been expressed by religious organisations, professional and patient groups and children's organisations. Many had recognised the difficulty of balancing the rights of the child with the rights of individuals to practise their religion. However, experts writing in the *British Medical Journal* question the

legality of the procedure. Raymond Buick, paediatric surgeon at Birmingham Children's hospital, wrote: "Doctors and parents need guidance on the implications of circumcision ... The GMC's guidelines do not give this type of guidance." Mr Buick told *The Independent*: "There are concerns that when these children grow up ... they may ask why it was done."

John Dalton, a research archivist in Staffordshire, said parents only had the legal power to consent to a non-medically necessary procedure on a child if it carried a negligible risk. Circumcision carried a 2 per cent risk of "clinically important" complications. "It is bad medicine if it is performed without consent," he said in the *BMJ*.

Next thing is, you'll forget your number

At first, their only health hazard appeared to be mild irritation and the odd flush - perhaps of pride, or maybe embarrassment. Then they were linked to asthma, to Alzheimer's Disease - and cancer. The latest news is that they cause loss of concentration and lapses in short-term memory.

Once again, scientists are issuing stark warnings about the risks of using mobile phones. Dr Henry Lai, a specialist in microwave radiation at Washington University, is the latest to enter the ring.

His research, delivered at a conference in Brussels, shows that the microwave radiation of the kind emitted by mobile phones impaired the ability of rats to learn simple tasks. The animals were exposed to about 45 minutes of low-level radiation and their resulting confusion convinced Dr Lai that mobile phone radiation could affect mammalian brain cells.

But Dr John Stather, deputy

director of the National Radiological Protection Board, the British government agency responsible for researching radiation hazards, was less convinced. "There's nothing we've seen that would cause us to have any concern about the use of mobile phones," he said yesterday.

"The present generation of cellphones are all within the standards for exposure to radiation which we recommend as an organisation. I mean, I've got one. Nothing's stopped me using it."

He pointed out that 45 minutes was a high level of exposure: "It isn't what most people would do on a cellphone - and it's common sense not to use it when you drive."

A spokesman for Vodafone said: "Usually you have an illness and you're looking for a cause. With mobile phones, they have a cause and they're looking for an illness."

— Clare Garner

New advice for doctors on treating critical children

Doctors treating desperately ill children sooner or later face a case in which they have to decide whether the treatment is worse than the disease.

Advances in medical technology mean it is now possible to sustain life without foreseeable benefit, causing great suffering to the child and their family. But when is it right to say enough is enough?

On Wednesday, the Royal College of Paediatrics And Child Health will publish the first guidelines for doctors setting out when it may be appropriate to withdraw treatment. The report is understood to outline five situations where this can be considered, including the case of a baby born 17 weeks early weighing little more than one pound. "Weeks of intensive care may save her but with a high risk of severe mental and physical handicap," it says.

Other situations include a ten-year-old with leukaemia not responding to increasingly painful and distressing treat-

ment, and a teenager with the wasting disease, muscular dystrophy, who is not going to survive to adulthood and who develops pneumonia.

Professor Sir Roy Meadow, former president of the college, said the most acute problems arose over very premature babies who could now be saved as a result of medical technology but who might not achieve a "satisfactory" life. "Now everything is possible it raises masses of problems as to whether it is right to do it," he said.

The guidelines follow a series of heart-rending cases in which parents have gone to court to have treatment stopped or to challenge doctors' refusal to continue fighting for their child's life. Last week the parents of Rhys and Charley Daniels who both have Batten's disease which causes dementia and blindness, announced they had decided to stop further treatment and let them die at home. The children had suffered enough, they said.

— Jeremy Laurence

DAILY POEM

Rampton Special Hospital: Arrival

by Danielle Hope

*I remember the crossing between fields of oil seed rape
the spider truck of a black bus in a sticky yellow web
six jostled passengers
faces horrified from arctic explorers
the moment before death. I remember.*

*I remember the carbolic stew that would not digest
but jostled for air at the back of my throat
then the fence, the guards and the one armed barrier
dropping behind as a wire severs a ration of cheese.
And then, I remember, we were inside.*

This week's poems come from *Beyond Bedlam* (Anvil Press, £7.95). An anthology of work "written out of mental distress", it has been edited by Ken Smith and Matthew Sweeney to mark the 75th anniversary of the Bethlem Royal and Maudsley Hospitals. Danielle Hope's poem first appeared in *Fairground of Madness* (Rockingham Press).

Suppose you could take the ashes of a used matchstick and somehow turn them back into a new matchstick, to burn again.

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Where science never sleeps

Top Lib Dem says closer links with Labour are inevitable

Liberal Democrat fears that the party is becoming too 'cosy' with Labour were being heavily damped down yesterday.

At the start of the party conference season, Anthony Bevis, Political Editor, sets the scene for the Liberal Democrats in Eastbourne.

One of Paddy Ashdown's key advisers, Lord Holme, told the party yesterday that closer ties

with Labour were inevitable once there had been a switch to a voting system based on proportional representation.

The party's general election campaign manager told Liberal Democrat activists gathering for the party conference that the record of power-sharing in local government was well understood. "But not all of us seem to accept the consequences of our policy on PR for Westminster with the same clarity. Let me spell it out. Anyone who campaigns for PR but rules out coalition in any circumstances is suffering from a serious logic deficit," he said.

But the big guns of the party

were devoting all their efforts to a repudiation of that controversial line, which could destabilise the party conference this week.

Mr Ashdown went out of his way to assure rank and file activists yesterday that he wanted his party to remain "independent and distinctive" and that Labour-Democrat talks on the constitution would be "ring-fenced".

In an interview with *The Independent*, the Liberal Democrat leader warned that the party would have to take risks in its search for a distinctive message and political appeal. It was a clear attempt to confound

critics who fear that he is engaged in a conspiracy to create a coalition with the Prime Minister Tony Blair.

Charles Kennedy, the party's former president, told BBC Radio 4's *The World This Weekend* that there was a current of apprehension among members that the co-operation with Labour on constitutional issues "could blunt our distinctive identity, because at the end of the day we are a different, independent political party, out there to win votes and secure influence and power".

He felt that the Liberal Democrats should be setting a target to displace the Tories as

the party of official opposition.

"We should be seen to be constructive, responsible and co-operative on constitutional reform issues," he said. "But we have got to be terrier-like in our opportunistic opposition, in the best sense of the word, in terms of opposing those aspects of Labour that we don't agree with, and making quite clear our alternative view."

In his interview with *The Independent*, Mr Ashdown said "What I am interested in is the politics of solutions, not the politics of tribalism. I am not interested in the politics of hanging onto shibboleths."

Interview, page 15

Anti-hunting lobby condemns Steel payments

Paddy Ashdown said David Steel, his predecessor, did 'nothing wrong' in taking £94,000 from the hunt lobby. But Colin Brown, Chief Political Correspondent, says anti-hunt groups were furious.

The League Against Cruel Sports condemned Lord Steel

for accepting the money for working two-days a week as part-time chairman of the Countryside Movement. The size of the fees paid to Lord Steel was revealed yesterday by *The Independent* on Sunday.

John Cooper, league chairman: "David Steel should be thoroughly ashamed... I'm sure supporters of the British Field Sports Society will also be disappointed to discover how much money has been wasted."

Three organisations - the

Countryside Movement, the Countryside Business Group and the British Field Sports Society - joined forces as the Countryside Alliance to organise this summer's rally in London, at which Lord Steel, the former Liberal Democrat leader, spoke as part of the campaign to stop a Labour MP's bill to ban foxhunting.

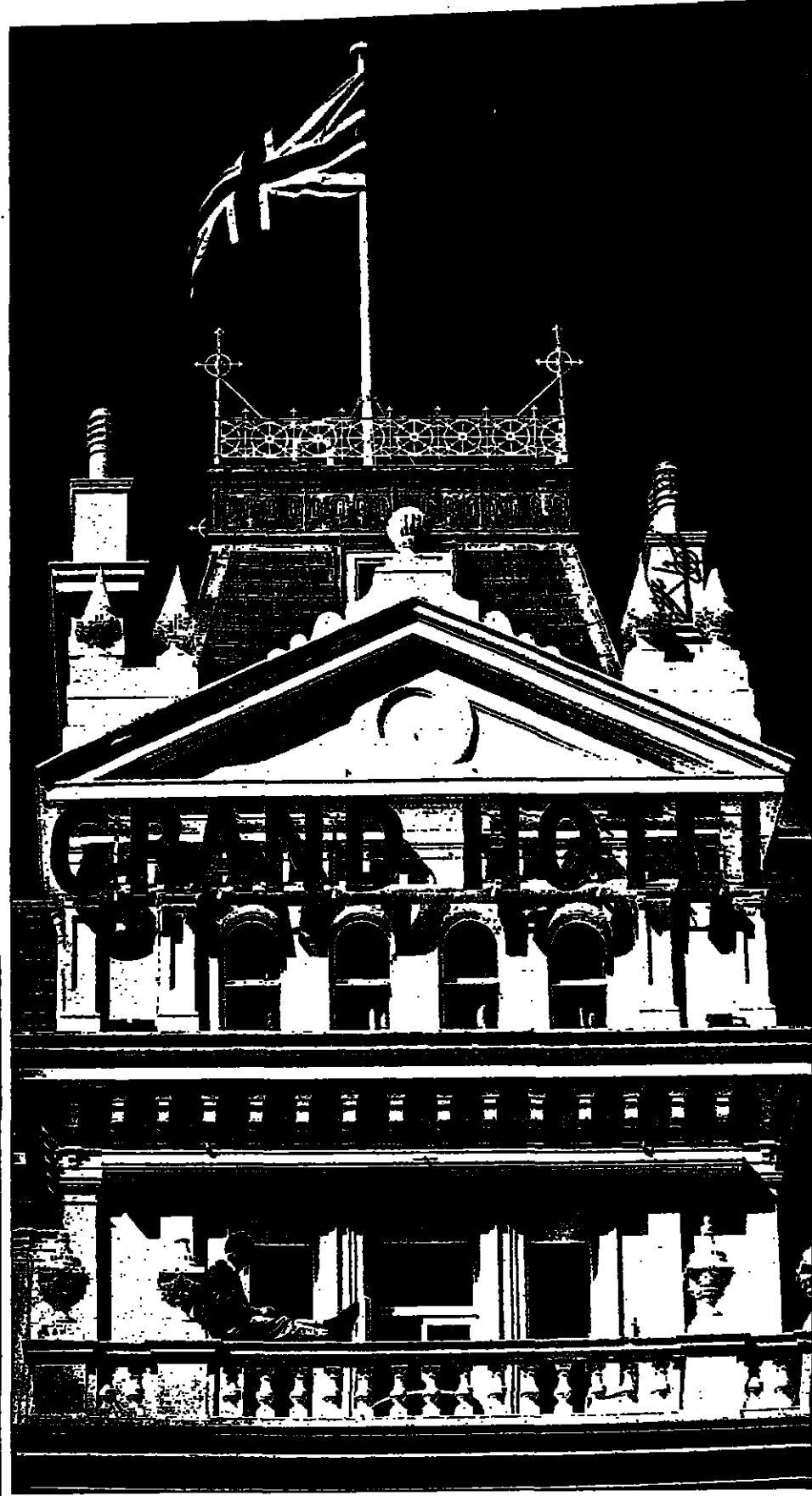
Angrily attacking reports of Lord Steel's remuneration, Mr Ashdown said: "He's done absolutely nothing wrong."

Lord Steel had "followed precisely and scrupulously" the requirements laid down by the Nolan Committee on standards in public life, said Mr Ashdown the day before Lord Steel is due to arrive at the conference.

The Liberal Democrat leader said: "David's position is well-known. Incidentally, it's the same as mine: that he is against hunting personally, and I am too. That is not to say that he supports legislation at this moment."

In a statement, Lord Steel said: "The story in [the] *Independent* on Sunday presents a travesty of the Countryside Movement and is defamatory of me. The few facts in it are neither 'revealed' nor 'exclusive' as the paper claims, but have been in the public domain, including other newspapers, for months."

"This is a tendentious piece of journalism designed to coincide with the... annual party conference and to promote the paper's flagging circulation."



Sitting pretty: Paddy Ashdown in Eastbourne yesterday

Photograph: Peter Macdiarmid

Prescott hints Cabinet may give pay rises to charity

John Prescott has fuelled speculation that Cabinet ministers may donate their £16,000 pay rises to charity. Colin Brown says the controversy threatens to spill over into the public sector pay round.

— about how to deal with the pay rises, which had been approved by Parliament.

"There may well be a point of view that perhaps the pay rises could go to some form of charity. It's a judgement that we can make that doesn't effect the thrust of the policy that has been put forward by the Prime Minister and endorsed. My job is to find that out," he said on BBC Television's *On the Record*.

John Redwood, the shadow trade spokesman, accused the Cabinet of "confusion and chaos" over its pay rises, and said it would be impossible to check on private donations to charity by Cabinet ministers.

"If they want pay restraint in the public sector, it should apply to them too. They should be prepared to forgo the money," he said.

Cabinet ministers were clearly embarrassed at the way it has been handled. "Least

said, soonest mended," said one Cabinet source. Harriet Harman, the Secretary of State for Social Security, said on GMTV: "I'm taking the same position as everybody else in the Cabinet which is we're forging the bulk of the increase that was due to us and John Prescott, with a group of Cabinet ministers, is talking about how we deal with the practicalities of it."

Jack Cunningham, Minister of Agriculture, said on the same programme: "I share Harriet's view that we must have unity in the Cabinet on this."

But a branch of Unison, the public sector workers' union, was threatening a mass lobby of next week's Labour conference in Brighton to protest at alleged failures to deal with the poor and low paid. "Things are getting worse, not better," said Candy Udwin, secretary of the union's branch at the University College Hospital, London.

Hague faces anger of Tory activists

William Hague will today relaunch his campaign to win party backing for his leadership and his reforms.

Colin Brown, reports that he faces a revolt among the ranks.

After one of the worst weeks in his leadership, Mr Hague will today tell party activists that "no change is not an option" but the reforms his officials are proposing will fall short of one-member, one-vote democracy for the Tory party members.

Party sources confirmed last night that a consultation paper, to be unveiled at the party conference by Archie Norman, a vice chairman of the party, will propose that MPs should retain power to nominate candidates for the election of a leader; and that they should keep control over the timing of elections.

That would still enable the MPs to throw out a leader it believed had become an elec-

toral liability, as it did with Baroness Thatcher. A compromise is being offered over the participation of rank-and-file members in the elections.

The party will try to calm the anger of some activists by offering a range of options for an electoral college, but MPs will retain the majority of the votes. Party sources are predicting they will have to concede a higher proportion to the party membership, but it will not go as high as 50 per cent.

Eric Chalker, an officer of the party's voluntary body, the National Union, said the grandees in the 1922 Committee were "fighting back" to prevent the membership gaining more powers over the Tory party.

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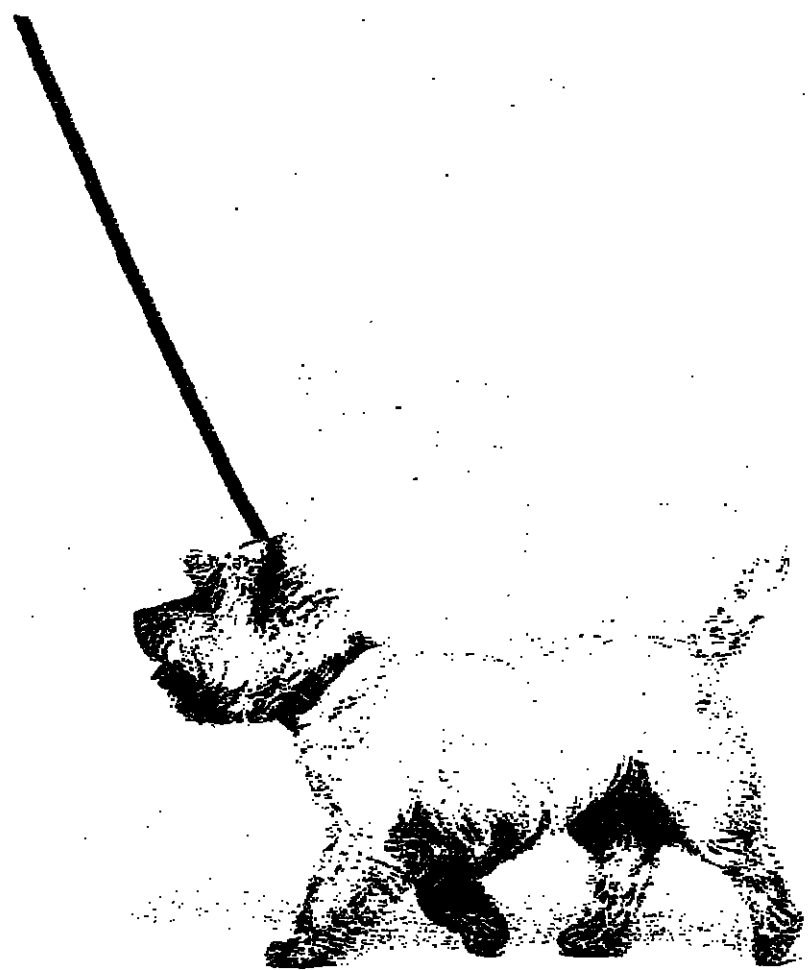
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Fund-raising clouds gather over the White House

The legal woes of Bill Clinton worsened over the weekend following news that the US Attorney General, Janet Reno, has authorised the opening of a preliminary inquiry into allegations that the President may have broken fund-raising laws during his 1996 re-election campaign.

While still in the earliest stages, the investigation could take on the scale of the Whitewater inquiry and trouble Mr Clinton through the rest of his presidency. A similar investigation of the fund-raising activities of the Vice President, Al Gore, is already under way.

Ms Reno gave the green light to an initial 30-day probe in the Clinton case. If there is sufficient suspicion of wrongdoing, she could then authorise a second-stage, 90-day inquiry. Thereafter, she may take the final step of appointing an independent counsel to pursue a fully-fledged investigation.

In the case of Mr Gore, the first 30-day phase is already almost over and Ms Reno will decide soon whether to pursue it further. Officials at the Justice Department privately predict that the Attorney General is indeed likely to appoint an independent counsel to scrutinise the activities of both the President and Vice President.

At issue are claims that the two men made telephone calls from the White House to solicit funds for last year's re-election effort. Such calls could constitute a crime under a decades-old law that forbids any form of political fund-raising inside federal government buildings.

Hearings have already been opened on Capitol Hill into allegations of wider fund-raising misdemeanours last year by the Democratic Party. The focus of the hearings are claims that dollars were illegally taken from foreign nationals seeking to influence the election.

— David Osborne



Take your partners: Solidarity's Marian Krzaklewski breaks from campaigning for yesterday's elections. Solidarity may forge a coalition with the Freedom Union

Photograph: Network

Poland's young liberals hold key to future

Young at heart, urbane and upwardly mobile – the academics of Poland's Freedom Union hold the key to the country's future. After yesterday's parliamentary elections, they are set to play a pivotal role in efforts to form the next government.

Imre Karacs met one of their luminaries.

In real life, Pawel Piskorski runs a libertarian think-tank, the Polish equivalent to the Adam Smith Institute. Not bad for a 29-year-old, even if his kind are a dime a dozen in the precocious new democracies of Central Europe. But not many of his

contemporaries have been entrusted with their party's election campaigns.

Now, on top of trying to get into the Sejm, Mr Piskorski has to worry about mail-shots, leaflets and television advertising. All of a sudden, everybody wants to make friends with the Freedom Union. No longer are they denounced as traitors by the reconstituted Solidarity, the party that drove out the communists but collapsed under the strain of trying to introduce a market economy and was driven out of power four years ago. Neither do their economic sermons offend the ex-communists in the outgoing government.

Here is why: Solidarity's return to Parliament after yesterday's election will re-order the political landscape. The governing Democratic Left Alliance – the former communists – is expected to im-

prove slightly on its performance of four years ago, but their forecast 25 to 30 per cent share of the votes will no longer be translated into a majority of seats.

Solidarity's share will go up from next to nothing also to between 25 and 30 per cent. The previous second biggest group, the reactionary Peasant Party who boosted the ex-communists' whopping majority in the outgoing parliament, are expected to decline sharply. The previous coalition seems doomed, but Solidarity will not be able to form a government without a little extra: namely Freedom Union's forecast 12 per cent.

Thus do all roads in Warsaw politics lead to Mr Piskorski's office these days. But does Mr Piskorski yearn to return to the Solidarity fold? "We don't know exactly who are in the AWS [Solidarity Elec-

tion Action]," he says. "And I don't think they know either. We think about half their people in the new parliament will be connected with trade unions. I'm not so fond of trade unions running a country."

Mr Piskorski's party scores mainly among the rising middle class, and especially among the young. For under-25s, the Freedom Union tops the charts. Their supporters are the winners of the new order, preoccupied with money and power, and not with ideology or old scores.

Accordingly, the party's campaign has concentrated on economics, rather than history. Meanwhile, secret discussions about forming the next government have been held not only with Solidarity, but also with the ex-communists. In their hearts, the Freedom Union would prefer to link forces with Solidarity, but such a marriage

might also have to involve the embarrassingly right-wing Movement for the Reconstruction of Poland.

It is therefore conceivable Mr Piskorski and his party might be driven into the clutches of the former enemy. Freedom Alliance's leader is Professor Leszek Balcerowicz who, as deputy prime minister of the first post-communist government in 1990, laid the foundations of the market economy. Now Professor Balcerowicz is back with a second plan to complete the job. His programme, and the votes backing it, are up for auction. Most of his party would prefer to form a coalition with Solidarity, but other scenarios cannot be excluded. All that is certain is that business wants the Freedom Union in the government, and in this part of the world business usually gets its way.



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Russian offer on Iranian nuclear plant

Russia yesterday tried a startlingly new manoeuvre in its long publicity battle to persuade the West – notably the United States and Israel – that it is not helping Iran to build a nuclear bomb. Its Atomic Energy minister, Viktor Mikhailov, said Moscow was willing to allow the US jointly to monitor a nuclear power plant which, despite repeated protests from Washington, it is building for the Iranians at Bushehr on the Persian Gulf.

The US has long expressed fears that the plant will allow the Iranians to produce enriched uranium, which could be used in nuclear warheads. Moscow and Iran insist that the plant is to produce electric power for civilian purposes.

Further Western allegations that the two countries were locked in an unhealthy arms partnership arose this month when Israel suspended negotiations over a gas contract with Moscow after reports, apparently inspired by Israeli intelligence, that Russian defence enterprises were helping Tehran to develop ballistic missiles capable of carrying nuclear weapons. The claims were dismissed by the Russian prime minister, Viktor Chernomyrdin, as "absurd".

Yesterday, Mr Mikhailov told the Russian news agency Itar-Tass that he had suggested to the US Energy Secretary, Federico Pena, that there should be a joint system for controlling the plant "to eliminate any doubt that there could be anything else happening there other than the changing of fuel and the use of the reactors".

He said the US had agreed to discuss the idea, which was raised under the auspices of the US-Russia commission co-chaired by vice-president Al Gore and Mr Chernomyrdin, who will today meet in Moscow for their ninth round of talks.

Last night Iran's response was unclear. The question of Russia's relations with Iran is becoming more acute as the US seeks to increase its toe-hold in the oil-rich Caspian Sea.



Canaan Banana: Accused of sodomy

Banana gay sex trial opens

Zimbabwe's former state president Canaan Banana goes on trial today on 11 charges of sodomy, attempted sodomy and indecent assault involving mostly his former bodyguards. Mr Banana was indicted in July following a police investigation after one of his former aides claimed he had been forced into a homosexual relationship by Mr Banana. The aide, Jetha Dube was sentenced to 10 years in jail in February for the 1995 fatal shooting of a fellow policeman who called him "Banana's wife".

Reuters

Lebanese militants shot

Lebanese troops fired on Muslim militants trying to prevent the closure of their unlicensed television station yesterday, killing two and wounding two, security sources said. Hundreds of the al-Tawheed Muslim fundamentalist movement had been gathering outside their al-Hilal television while their leaders negotiated with the authorities.

Reuters

Arafat blacks out

Palestinian leader Yasser Arafat fainted during a meeting of Arab ministers in Cairo on Friday after an argument over a controversial economic conference with Israel. A doctor revived him.

Reuters

Algerians massacred

Suspected Muslim rebels killed 52 villagers by cutting their throats at the weekend, in the Beni Slimane area, 70km south of Algiers, sources close to security forces said yesterday. The killings took place in Medea province scene of repeated massacres of civilians.

Reuters

Ramos to stand down

Philippine President Fidel Ramos renounced any ambition to prolong his stay in power after nearly a million people marched to oppose a second term for him.

Reuters

Serbia poll apathy

Voting in Serbian presidential and parliamentary elections got off to a slow start yesterday after major opposition parties boycotted the vote.

Reuters

Far-right gains toehold in Hamburg

A xenophobic election campaign by the Social Democrats in Germany's most cosmopolitan city received a sharp rebuke from left-wing voters yesterday, but appears to have brought the ultra-nationalist German People's Union (DVU) into the regional parliament.

According to first projections, the Social Democrats, who have reigned in Hamburg uninterrupted for 40 years, were heading for 37 per cent of the vote, 3 per cent down on their result four years ago. Chancellor Helmut Kohl's Christian Democrats (CDU) were forecast to gain 31 per cent; about the same as last time, when they were bitterly divided in the city.

The DVU were projected to gain 5 per cent of the vote. If this result is confirmed, they will enter the Hamburg parliament, providing a useful platform to a party starved of publicity.

"The Social Democrats have achieved only one thing," a CDU spokesman said, "bringing the Browns into parliament."

The Greens, at 14 per cent improved slightly on their 1993 result, while the Free Democrats, Mr Kohl's junior partners in Bonn, failed again to get into the regional assembly. The Hamburg race – the only regional election in Germany this year – was seen as an important test of strength, providing hints about who will form the next government in Bonn.

The Social Democrats, led by their popular mayor, Henning Voscherau, wrong-footed the right by campaigning on a law-and-order platform.

Hamburg has experienced a big increase in crime in the last four years, and, naturally, Mr Voscherau did not want his record tarnished by the statistics.

In one of the most xenophobic campaigns since the war, Mr Voscherau blamed foreigners for the rise, and promised to push for stringent new measures to expel immigrants caught committing crime.

Labour fails to get tough on opencast mining

Before the election, Labour promised a clampdown on opencast mining. But now ministers are accused of being too timid in their plans to control the industry.

Fran Abrams, Political Correspondent, reports on the growing row.

Opencast mining was described by a Labour Party seeking election as "one of the most environmentally destructive activities in the UK". Now in power, it has launched a consultation exercise on a 10-point plan which recommends no change to the law or to planning guidance on nine of its points.

Harry Barnes, Labour MP for Derbyshire North East, intends to approach other mem-

bers from coalfield communities to rally opposition to the plans. He has also written to Richard Caborn, the minister responsible for planning, complaining that Labour's election pledges are being "diluted to the point of near impotence".

Mr Barnes described the paper as "pathetically timid and timid". "If we don't stick to our guns against opencast operators we will stand accused of selling

out to these vested interests rather than sticking up for local communities threatened by dust, disruption, noise," he said.

Campaigners say opencast mines are becoming one of the most pressing environmental problems. While just 12 per cent of coal was mined in this way in 1980, almost one-third is now. It is cheaper than traditional deep mining but it requires the excavation of large

areas of countryside. There are now more than 90 protest groups opposing the method. They say planning committees should be able to take into account potential health risks.

Elaine Gilligan, a full-time organiser with the pressure group Friends of the Earth, said the mines led to dust, noise and blight. They were deeply unpopular with local communities because they did not create

many local jobs but were very disruptive. "It's seen as universal smash and grab. It is extremely unpopular," she said.

Before the election, Labour said it would change the rules and planning committees would be told to "presume against" new opencast coal mines. Its promises included setting stricter standards for planning consent, tightening rules to ensure that sites were fully re-

stored after mining and reducing reliance on opencast coal as a source of energy.

However, its consultation paper suggested action on just one point - that the mines should be of benefit to the local community and environment. The paper said new planning guidance should suggest making this a prime concern, but went on to suggest that the need for opencast coal to

mix with deep mined coal could be one such benefit.

A spokesman for the Department of Environment, Transport and the Regions denied that the Government had reneged on its plans. "The consultative document shows their commitment to taking action early. We are committed to democratic principles in enabling a wide range of views to be taken into account," he said.

Triathlon swims against the local tide

Thousands took part in the country's first mass-participation triathlon in London's Docklands yesterday. It should have been an exciting day for locals, but many stayed at home in protest. Clare Gomer found out why.

It is not easy at the best of times for parents to convince their children of the dangers of having a dip in the docks. But when the authorities allow 3,000 competitors in the inaugural London Triathlon to swim there, it becomes almost impossible.

Residents of the Isle of Dogs felt that the 1,500 metre swim in West India Dock sent out all the wrong signals about the health risks attached to swimming in dock water, including the risk of contracting Weil's disease, which is caused by a bacterium secreted in the urine of rats.

Furthermore, the race appeared to fly in the face of previous advice from the London Docklands Development Corporation (LDDC). In May, the LDDC, which sponsored the triathlon, issued a letter from the harbour master warning residents that there were indications of high algae growth in the docks and that algae "can be toxic to humans and, unless precautions are taken can have serious consequences".

The letter continued: "Ingestion of algae laden water can lead to liver damage. There have also been failures (in the tests) due to the presence of bacteria, faecal enterococci and coliforms. This is not safe with all the dock water being pumped from the River Thames together with bacteria from nearby sewage works ... there's an ever present risk."

Rita Bensley, chairwoman of the Association of Island Communities, said local residents were "really disgusted" that the LDDC had given the swim the go-ahead. "All adults spend their life warning their children not to swim in the



Hot water: Competitors taking the plunge in West India Dock yesterday, where local children have been clearly warned that they must not swim

Photograph: Robert Hallam

docks," she said. "The LDDC has spent a small fortune issuing leaflets and creating local by-laws which state quite clearly we're not allowed to swim in the docks. When youngsters see adults being allowed to swim in there under sponsored schemes for charity they assume they can."

Craig Rice, media manager for the event, insisted that the competitors, which ranged from first-timers (50 per cent) to the British and world number one, Simon Lessing, had been under no risk. "The LDDC wouldn't let us put this

event on unless they were happy with the quality of the water. It is safe water. Safety wise, it's safe to swim in the dock."

Rather, he insisted, the problem comes when people swim in the docks unsupervised - in 1995 there were seven deaths. As well as the swimming element, competitors did a 40 kilometres cycle circuit out towards London City airport and a 10 kilometres run through the streets of Poplar.

Lessing victory, Sport page 21

Community creates a big stink over scheme to recycle sewage

Why is it that 'green' schemes to aid the environment often provoke the most furious local opposition? Essex villagers are opposing a plan, in the green belt, to turn massive quantities of sewage into farm fertiliser. Nicholas Schoon, Environment Correspondent, reports.

The battle against Anglian Water's controversial plans for tiny, rural Stamburgh Sewage Works will come to a head this week, when county planners meet to decide its fate.

The company wants to pipe 250,000 tonnes of sewage sludge, from Southend-on-Sea,

three miles inland, to Stamburgh each year. There, it will be mixed with dust from cement and lime kilns, to turn it into a fertiliser which farmers can receive free of charge.

But residents of the nearby commuter villages of Rochford and Ashingdon have set up 'It Stinks!', an opposition campaign. Their real objection is not, in fact, to odour, but to the number of heavy lorries which will be rolling through their communities, past schools, homes and shops, and along country lanes as the kiln dust is trucked in and the fertiliser exported. Anglian says that during the busiest weeks there could be up to 40 lorry movements a day.

Their protests, and a blizzard of letters, persuaded councillors on the county planning committee to visit the site before making their decision this week.

Tracey Chapman, a local Essex County Councillor, said: "Our country lanes just cannot cope with the extra lorry movements ... why not build it in Southend, where the waste is generated?"

The story began with a plan to improve the treatment of Southend's sewage before it was pumped out to sea.

This improvement will sweeten the seaside resort's murky bathing waters, but back at the sewage works, far greater quantities of sludge, a brown, foul-smelling organic material rich in bacteria and viruses, will be produced. Much of the nation's sludge used to be dumped at sea, but from next year, the Government will ban the practice.

Anglian already has a small fertiliser-making plant at the Stamburgh works. When the kiln dust is mixed with the

sludge, a chemical reaction takes place - heating the gooey liquid to a scalding 60C and killing the microbes. In this way two waste materials, sludge and dust, are recycled into one useful product.

Now the water company wants to expand the Stamburgh plant to several times its present size, to cope with the sludge from Southend. Originally it had intended building a fertiliser plant at the seaside resort's own big sewage works, but that idea was dropped because of planning constraints.

Company spokesman Graham Frankland said: "We have to do something with the extra sludge and this seems the best way forward."

"We've consulted fully with local people, but with any scheme you'll get some who object."

British Gas washes the dirt right out of its soil

Hundreds of thousands of tonnes of contaminated soil are being given a thorough wash, using water, at a derelict gasworks site in Nottingham.

It is the first time the technique has been used on a large scale in Britain, and tomorrow a gigantic Anglo-Dutch earth-washing machine is formally opened at the Basford works in the north of the city.

The tar-stained soil, contaminated with a wide range of

toxic by-products from town-gas production in the past, is being extracted across an area as large as several football pitches, down as deep as 16 feet in places. It is then screened, crushed and washed.

Most of the contamination coats only the surface of the soil particles, and tends to be concentrated on the clay and silt fragments which are the smallest. The washing separates this finer material out, and scrubs

the hazardous chemicals off the larger pieces of sand and gravel.

The water is continuously recycled, with the contaminants accumulating being extracted as a tarry paste. This has to be taken away for dumping in landfill sites along with the dirty silt and clay which remains. But about 80 per cent of the soil is left clean and can be spread back over the gasworks site, allowing it to be redeveloped by

its owners British Gas Property. The company hopes that the £4m washing project will work out cheaper than the main alternative - removing all the contaminated soil to a landfill site and importing fresh, clean material to replace it. But at another of its old gasworks in Sheffield, the company is testing the use of bacteria to break down polluting chemicals in the soil.

Nicholas Schoon

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10/DESPATCHES

Wall Street, the bar where drinkers call the shots and wait for a crash

Matthew Chance ventures into Kuala Lumpur's Wall Street bar, where the cost of a round fluctuates as drink prices rise and fall according to the laws of supply and demand.

Walk into a noisy room filled with sharp suits, wide red braces and eyes fixed on television screens, and you could be forgiven for thinking that you had stepped back 10 years on to the bustling trading floor of a bull-ist stock exchange. But although prices here rise and fall according to demand, this is no financial market.

Wall Street, the "latest concept in greed", according to one happy drinker, is a bar in the heart of Kuala Lumpur's business district which for many encapsulates the country's growing culture of western-style materialism and distance from the Is-

lamic faith of its majority. Its drinks, like shares listed on a stock market, fluctuate in price every few seconds: when demand for a certain beer increases, so does its price; when vodka is not selling too well, the cost of a shot comes down.

"I just wanted to create the atmosphere, the buzz of a market," said Mark Walter, a British merchant banker-turned entrepreneur who part-owns Wall Street. "From personal experience I know just how exciting the trading floor can be, and here the gambling bug is in people's blood, and everyone likes a drink," he added. The success of this first bar, in profit after only a few months, has given rise to plans to open a second venue in London early next year.

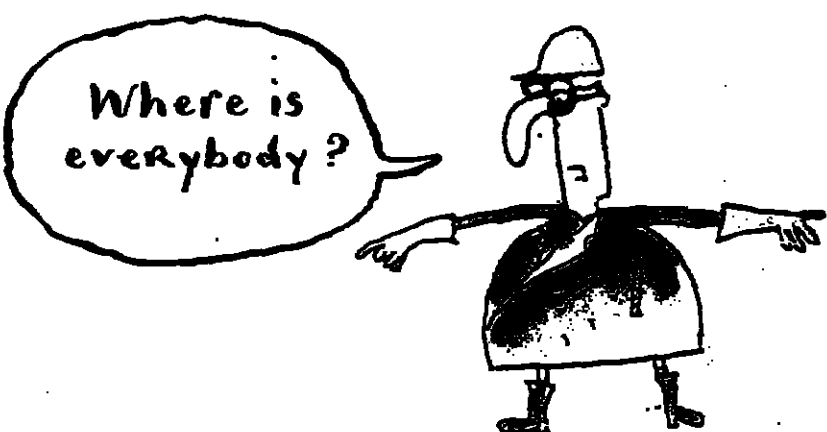
On Fridays, hordes of red-eyed bankers gather, to drink in the kind of atmosphere they have been familiar with all week. "We get lots of different kinds of customers, but bankers, local and expatriate, appear

most comfortable in this environment," Mr Walter said. Omar Yusoff, a young professional with paisley braces and steel-rimmed spectacles, places his order after a lengthy mental calculation: eight bottles of Carlsberg priced at 6.28 ringgits (£1.25) each. Seconds later, the price of the beer on the screens above the bar rises to 7.50 ringgits, prompting laughter from others about to buy a round.

"It's basically a free market in here, but with some boundaries," explained Joanna Chee, the bar's marketing manager. "We never let the prices get too high so they are unaffordable. Nor do we let the cost of a drink slip below our basic profit margin, except perhaps during a market crash," she said. A few times a night, prices of certain drinks, as if they were unpopular shares on the diving Malaysian stock exchange, plummet to record lows, prompting what Mohamed Khalil, a would-be banker, calls "a surge of buying activity".



Dress code: Women in Kuala Lumpur wearing the traditional sarong kebaya as the pressure grows to cover up. Photograph: Reuters



Islam's grip tightens as Malaysia's boom ends

The country has a reputation in the West as one of Asia's most successful 'tiger economies'. But so far the path to economic growth has been smoothed by a culture of religious tolerance.

Now, as those who enjoyed the boom are forced to endure the bust, Islamic clergy are seizing the moment, and Matthew Chance says their growing influence is putting the culture of tolerance under threat.

Beneath the vast twin towers of the world's tallest office block, a staggering monument to Malaysia's powerhouse economy, a faint call to prayer from the minarets of a city mosque below is all but drowned in the chaos of rush hour.

Shrouded by a hanging cloud of thick grey smog, the choking fall-out of economic success, and regional forest fires, Kuala Lumpur is a city where religious imperatives have given way to capitalist ones. Fashionable bars are thronged with revellers as bankers and businessmen in this predominantly Muslim nation clutch their next deal.

"The city is a symbol of what is happening to our country," lamented Suply Abdul Latif, a spokesman for Pas, Malaysia's strident opposition Islamic party. "Mosques are here, Muslims are here and even women who wear the veil. But you have these things in Britain too. They are not what makes a country Islamic. There has to be a difference."

The difference, of course, is that Britain promotes a culture of religious tolerance, while what makes a country Islamic is its forbidding by law that which is forbidden in the Koran.

How far religion should dictate the law of the land is a point of intense debate in Malaysia, a nation where unbridled economic development has hinged for two decades on a philosophy of moderation; where mosques and McDonald's enjoy similar status in society.

Malaysia owes much of its image as a success story to its 71-year-old prime minister, Mahathir Mohamed, whose vision is of a modern, moderate Malaysia, where Islam works hand-in-hand with *laissez-faire* business values. But this vision has been sullied by a recent downturn in the economy that has allowed the rhetoric of the country's increasingly assertive Muslim clergy to be heard above the clamour of the cash registers. A recurring theme is their anger at the "un-Islamic" antics they say Mr Mahathir's Malaysia has encouraged.

"Everything is going too far. Malays are losing sight of their faith," Suply Abdul Latif said. "We need to remind our people that economic development should continue under God. The bars we all see selling alcohol are just one example of our decadence."

Only in one of Malaysia's states, Kelantan, are the Islamists in charge, in the form of a Pas government. But their influence is felt across much of the country. Even in the capital, Kuala Lumpur, women with no tradition of covering up are feeling pressure to wear headscarves and full-length dresses. Men who once drank beer openly now do so only in the company of close friends.

"Our vision of an Islamic Malaysia would see that the law of God was adhered to. We would encourage people to stay away from alcohol, so bars would close. We understand women are the key in our country's workforce, so we would not prevent them from working, except, of course, nightshifts," Suply Abdul Latif explained.

Malaysia's brand of religious fundamentalism is denting the country's reputation for tolerance. In July, the state of Selangor convicted three beauty contestants for indecency under Islamic law for taking part in a swimsuit parade. They were handcuffed on stage and threatened with harsh punishment under the *hudud*, an Islamic criminal code which specifies stoning for adulterers and amputation for thieves. Dr Mahathir has since curtailed the power of local religious bodies in legal matters.

There is, nevertheless, a sense amongst ordinary Malaysians of "creeping Islamisation". "Both my daughters now have to wear a *tudung* [headscarf] to school even though they are only eight and ten years old," said Omar Mustafa, a Muslim businessman in Kuala Lumpur. "There is no rule saying they must, but they are expected to or they are looked down upon."

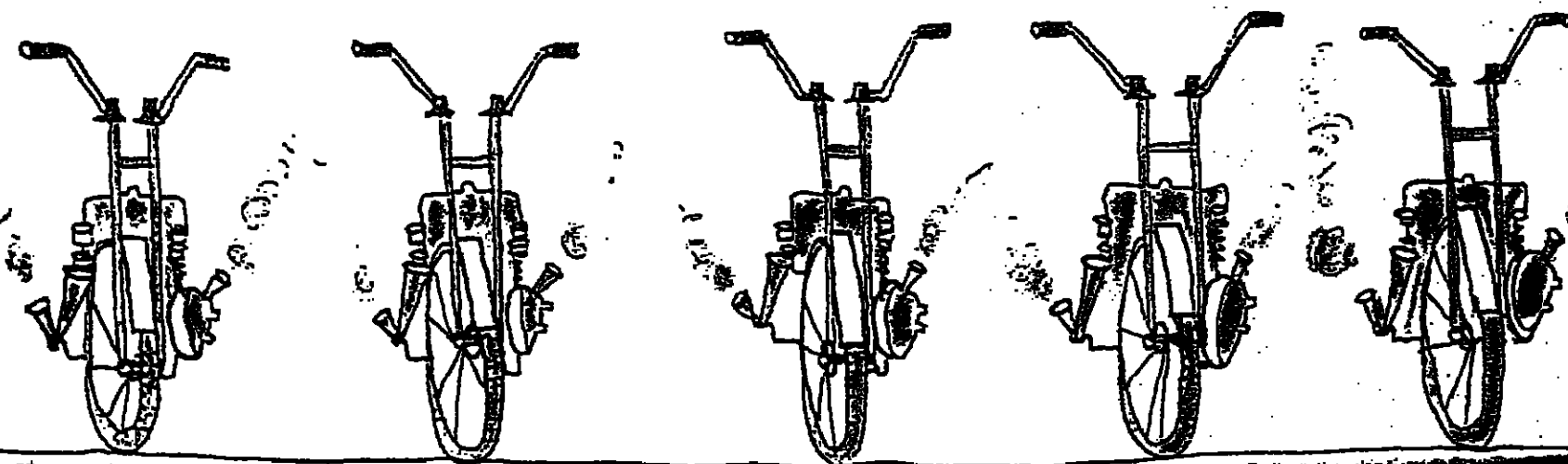
Many Malaysians will criticise, or even joke about the rising influence of the clerics, but few are willing publicly to repudiate the hardliners. Muslims make up only 60 per cent of Malaysia's population, but ethnic Chinese and Indian groups are also feeling the growing pressure of Islam. Few complain of a lack of religious freedom, but Islam is omnipresent - in schools, at work, in the media.

"It is overwhelming and so subtle in many ways," Cecil Rahnam, an Indian Christian living in Kuala Lumpur, said. "Most people reject any kind of fundamentalism, be it Islamic or anything else. But I'm worried that if things carry on in this insidious way, all of us might one day wake up in an oppressive Islamic state, and be powerless to change it," he added.

Soros on Mahathir 'menace', page 18

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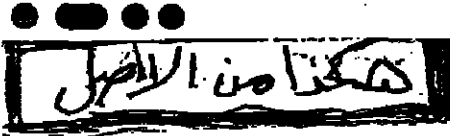
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I've had the Oscars, show me London

Richard Tyler dresses filmstars by the score. This week he makes his first appearance at London Fashion Week and Harvey Nichols.

lon Phillips reports.

The name Richard Tyler will probably mean little to anyone in Britain, except to fashion aficionados. True, he recently received some attention when he took over the design helm at the Italian house of Byblos, but Tyler himself is the first to acknowledge that "outside the United States, people don't know who we are".

In Hollywood, however, he is the designer name on everybody's lips. An estimated 60 per cent of actors attending the Oscars wear his creations, and his list of devoted clients includes Angelica Huston, Julia Roberts, Geena Davis, Miranda Richardson, kd lang and Susan Sarandon. "I love his clothes because they are beautifully cut and beautifully finished," says Angelica Huston, whose wedding dress Tyler created for her marriage to artist Robert Graham. "Richard is my favourite designer," enthuses Laura Dern, who wore one of his gowns to the Academy Awards a couple of years ago. "He is simply a brilliant tailor".

But Tyler's biggest ambitions did not lie in Hollywood. When he met his wife, Lisa Traficante, in 1987, she asked him what his career goals were. The first, he said, was to win the Cody Award. Tyler has so far

picked up three of this most prestigious of American fashion awards (now the CFDA). His second ambition was to have his clothes in window displays on New York's Fifth Avenue. Both Bergdorf Goodman and Saks department stores have turned that wish into reality. And his final goal was to show in London. That he reaches next Monday when he presents his second line, Richard Tyler Collection, as part of London Fashion Week. The show will coincide with the launch of the line at Harvey Nichols.

One of Tyler's nicknames is "the Master of the Jacket". His suits are in a league of their own - smart, sassy and sexy. "For me, the quality is the most important thing," he asserts, and to prove it he has 40 hand-finishers working on his main "Couture" line in his downtown Los Angeles studio. "It's like it was done in the old days. No computerised machines."

The Collection line is made out of Italy to reduce costs, but prices remain steep. Jackets cost between £560 and £940; dresses start at £375. He promises that the new collection will be "very light", "drop-shouldered" and "sort of minimal". Colours will be soft and romantic, with a predominance of lavender, pink and white. "It's like wearing nothing," he says, "but it's not sheer. It's all to do with construction." His inspiration was apparently the opening scene of Visconti's *The Leopard* in which light curtains blow in the wind.

Tyler, 51, is casually dressed



'Quality is the main thing': Richard Tyler (far left) employs 40 hand-finishers in his Los Angeles workshop, to create the exquisitely tailored effect (left) that has endeared him to the stars

likes of Andy Gibb, Sean Cassidy, the Village People and ELO. "It was pretty wild," he laughs. "Stuff that maybe I won't own up to right now. There was a lot of Spandex and sequins. Jumpsuits on Sean Cassidy and pink skirts on Andy Gibb." He also remembers making white satin tails for Diana Ross for the premiere of *The Wiz*. The singer put him up at the New York Hilton for a fortnight and he cut and sewed the clothes together on two room-service trolleys.

Yet in 1987 he found himself down and out in Beverly Hills. "I'd make money and then spend it all," he admits. After living in a broom closet and washing in a bucket of cold water, he scraped together enough cash to buy a one-way ticket back to Australia. The day before he was due to fly, he met Lisa in a night-club. He cashed in his ticket and has never looked back.

"Lisa really made things happen," he says. "She made the dream come true. She really has guided the company, and still does so. She even gives me direction fashion-wise." He always talks about "we" rather than "I" when referring to his fashion business.

Within a year, they had opened a menswear store in Los Angeles, and most of the customers were women. Daryl Hannah popped in on the very first day. She told Julia Roberts about her find, who told Winona Ryder, and things snowballed.

Tyler launched his first women's collection in 1993 and it was an immediate success. "Everyone kept saying, 'Your dresses are great'," he recalls, "and I really thought I had made the worst dresses in the world." He still insists that women's wear remains a "struggle". "My real passion is menswear," he says. "It's a lot easier for me. I really am a tailor at heart."

He spent his first few years in Los Angeles, however, whipping up stage clothes for the

in a khaki T-shirt and jeans. Angelica Huston stresses that he is "uncommonly modest". He is also game for anything. When the photographer asks if he would mind jumping into the pool fully clothed, he merely asks if she would like him to put on a suit, goes in to change, and then plunges straight in.

He first arrived in Los Angeles in 1978, when he was Rod Stewart's costume designer and he fell in love with the place. "There was no smog at the time. Nobody was being shot on the street corner, so I guess I had a really good impression".

Stewart had come across Tyler in his native Melbourne, where he had opened a boutique at the age of 19. His mother used to make costumes for the local ballet and opera, and would also design outfits for visiting American stars such as Norma Shearer. "From the age of about four or five, I was always surrounded by these incredibly tall models," he says.

His first job was cutting bras and swimwear in a factory. He then worked for a Savile-Row-trained tailor who made suits for the then premier of Australia, and he has been fascinated by the English look ever since. Ask him about style icons and he will mention David Bowie, Bryan Ferry, Roger Moore as The Saint and Basil Rathbone as Sherlock Holmes.

In search of the cream of the catwalk

The Independent seeks young photographers to follow in the footsteps of Chris Moore. He talked to Melanie Rickay.

Spare a thought for the catwalk photographers this week as the fashion circus mobilises, and they lug their equipment from London to Milan, then to Paris and on to New York to capture the clothes, hair, make-up, fun and frolics of the fashion jamboree. Picture the hours of queuing, and the constant fight for the best spot.

Chris Moore is widely regarded as the Irving Penn of catwalk photographers and, like Penn, he has been taking pictures for nigh on 40 years and still gets a buzz out of it. In the late Sixties he paid salon models \$4 to wear couture outfits. Ready-to-wear shows, as we know them today, did not exist in Paris until 1973.

Moore fell into fashion by accident. He ran the studio at *Vogue* where he worked with, among others, Cecil Beaton, but soon went freelance. From then on he was at every fashion show he could get into. "It was hard; we weren't recognised in Paris, and were treated like dogs. It changed when one man was attacked by a guard and nearly lost his eye." The photographers protested to the Chambre Syndicale (which controls French fashion) and their work was recognised as an official profession.

In the early days there were no auto-focus cameras, and no telephoto lenses. "I used two



A show captured: 'I keep my cool most of the time, and try to switch off, but it's a funny business,' says Chris Moore

cameras, one mono and one colour, which I would hold in each hand," says Moore. When supermodels arrived, he recalls, the profession changed completely. The former catwalk photographer for *The Independent*, Sheridan Morley, remembers when Naomi Campbell fell off her Vivienne Westwood platform. "That picture was worth thousands for those of us who managed to capture it."

Technology has made the job quicker and easier, but de-

mand for pictures and the sheer number of shows (at least 10 a day) has tripled the stress. Moore admits he becomes a cabbage at the shows. "I keep my cool most of the time, and try to switch off, but you have to be a deviant masochist. It's a funny business," he says with a smile.

Stamina, nerve and a love of fashion are a bonus; but a good eye, quick reactions, and understanding picture composition are essential to a good catwalk photographer.

Competition

The Independent, in conjunction with Clothes Show Live '97 and Fujifilm, is out to find the young catwalk photographer of the year. To enter, think "fashion in action" and get out on the streets with your camera. Judges include Bamsin Blanchard, Chris Moore, *The Clothes Show's* Caryl Franklin and a Fujifilm representative. Five finalists will photograph Clothes Show Live '97 on Friday, 5 December; the winning picture will then be chosen.

First prize: Fujifilm GA645 AF Autofocus Camera worth £995, a job with our photographer at London Fashion Week in February, 2 tickets to Clothes Show Live '97, publication in *The Independent*.

For two runners-up: £200-worth of Fuji Professional film and two tickets to the show.

Rules

● Send three fashion in action photographs to Young Catwalk Photographer of the Year, Fashion Dept, *The Independent*, 18th Floor, 1 Canada Square, Canary Wharf, London E14 5DL, by 24 Oct 1997.

● Caption pictures, and include your name and address.

● There is no cash alternative.

● The judges' decision is final, and the organisers reserve the right to cancel the competition at any stage.

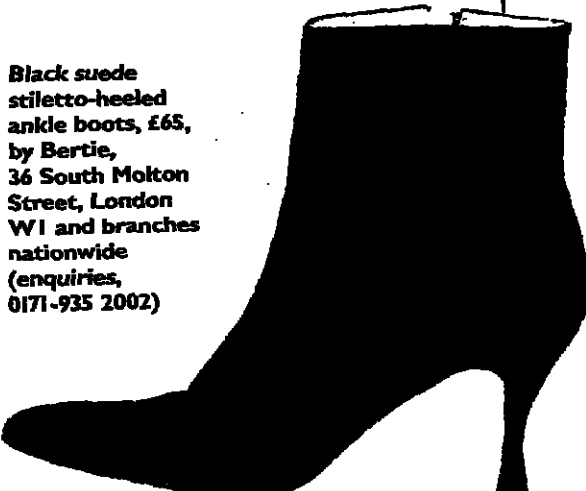
● Winner and runners-up must co-operate fully for publicity purposes if required.

● Entrants must provide their own travel to and from Clothes Show Live '97 on Friday, 5 December 1997.

STYLE TOP THREE

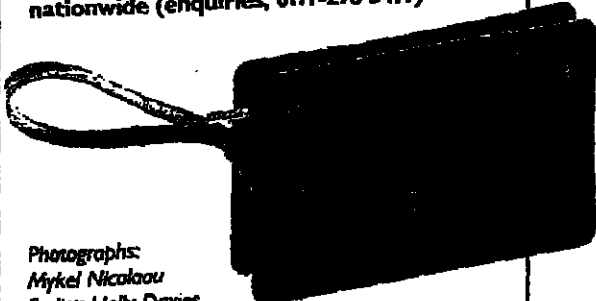
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IN22/9

Cliff Bere

Clifford Ifan Bere, political activist: born Burnley, Lancashire 1915; married 1949 Eluned Rhys Evans (four sons); died Barry, Glamorgan 16 September 1997.

Cliff Bere was a Welsh Republican, one of a small group of militants, mostly ex-servicemen and intellectuals, who enlivened the political scene in Wales during the 1950s in a coalition of left-wingers whose natural homes should otherwise have been in the Labour Party or Plaid Cymru. Prominent among them were the poet Harri Webb and the Labour peer Gwilym Prys Davies.

The movement – it was not a party though it put up a candidate at Ogmere in the general election of 1950 – was hostile to the Labour Party because of its broken promises on self-government for Wales, critical of Plaid Cymru on account of its pacifism and recognition of the Crown, and utterly opposed to the Tories on just about every other count.

Besides heckling speakers from the main parties, at which they were adept, the Republicans went in for painting slogans and burning Union Jacks in public places, and holding open-air meetings up and down the industrial valleys of South Wales which sometimes ended in fistfights. They also excelled at making scurrilous attacks on

prominent Welsh politicians of the day, including Jim Griffiths, later the first Secretary of State for Wales, and Aneurin Bevan, whom they considered to be a lost leader of his class and people.

Cliff Bere was, by common assent, the most single-minded of the Republicans, and the most hard-working. It was he who wrote the movement's manifesto, published in 1948, and held the group together for the eight years of its existence. As a public orator, he was no firebrand but would speak at street-corners with a conviction which never failed to impress his audience. Whenever he spoke in public, he addressed his audience as "Welsh men and women . . ." rather than as "Ladies and gentlemen".

He seemed to take particular pleasure in "the simple ceremony of burning the English flag" and hearing his record read out by policemen in court. It was his ambition to go to prison and refuse to wear uniform, as a political prisoner, but the nearest he got was when, in the 1970s, he was involved in a series of clandestine acts carried out on the fringe of the nationalist movement; he was very disappointed to be let off by a judge who had not fully understood the part he had played.

The main work of the Republican movement after 1954 was the publication and distribution of a bimonthly newspaper, the *Welsh Republican*. It

had a circulation of a few hundred copies, many of which were sold in the street by the indefatigable Bere. The paper was remarkable for its coverage of Welsh current affairs, especially matters relating to the economy of South Wales such as the future of the coal and steel industries and the plight of the Cardiff docks. It also provided a vitriolic commentary on the Labour Party's attitude towards the question of Welsh self-government at a time when no such critique existed.

Many of its articles were written, mostly anonymously, by Bere. They were sceptical towards the Parliament for Wales Campaign of 1951-55 because it fell short of the republic on which the movement had set its sights. They also deplored the appointment of David Maxwell-Fyfe ("Dai Bananas") as part-time Tory Minister of State for Welsh Affairs and spoke out against military conscription in Wales, though arguing in favour of a Welsh army. Prior to the Coronation of 1953, the paper expressed staunchly anti-royalist views.

Cliff Bere was born of Welsh parents in Burnley, Lancashire, and had learned to speak Welsh as an adult. He studied law at the University College, Swansea, and at London University, but his studies were interrupted by the Second World War, during which he served in North Africa. It was there he resolved to fight for Wales after

the conflict was over. A talented graphic artist, he was employed for 10 years at the National Museum of Wales in Cardiff.

He was also an able writer and polemicist. Besides a novel, *I Was a King*, he wrote a memoir of the Welsh Republican Movement, *The Young Republicans* (1996), which is a valuable source of information about politics in Wales during the post-war period, though it is mainly concerned to show the movement in the best possible light and makes no attempt to assess its legacy among the various *grŵpïdd* which have since laid claim to be its heirs. The truth is that in most of their initiatives the Republicans were unsuccessful and the fire of republicanism which they hoped would did not materialise. Even the bookshop which Cliff Bere and Harri Webb opened at Bargoed in 1951 did not last the year.

With the movement's demise in 1957, some members went back into the Labour Party. Gwilym Prys Davies, for instance, stood as the Labour candidate in the Carmarthen by-election of July 1966 at which Gwynfor Evans won the seat for Plaid Cymru; he later became an opposition spokesman on Northern Ireland. Others withdrew from active politics, while one or two left Wales altogether to pursue distinguished careers overseas. But Cliff Bere there in his lot with Plaid Cymru, becoming

one of its most devoted members with a commitment which few have been able to match.

His private manner was quiet, courteous and rather shy. I never heard him raise his voice and, in conversation, he was reluctant to talk about himself, but his political zeal was always to the fore and his gentleness of spirit disappointed, then impressed many younger people who went to him for guidance and inspiration.

His unusual surname (pronounced as two syllables) was taken from that of the small castle near Cader Idris in Merioneth which had been built by order of Llywelyn Fawr in the early 13th century and reinforced by his grandson Llywelyn ap Gruffudd, the last prince of independent Wales. Its significance for him was that Bere was a Welsh castle, built for the defence of Wales rather than for its subjugation, and therefore a worthy name for a Welsh patriot.

He would have been pleased by the result of the referendum announced in the small hours of Friday, while at the same time arguing that the assembly which Wales is now to have is only "a half-way house" on the road to full self-government. It is fitting that, at his funeral today, his coffin will be draped with Y Ddraig Coch, the Red Dragon, the national flag of Wales, a country to which he devoted his life.

— Meic Stephens



A single-minded Welsh patriot: Bere walking free from Mold Crown Court after charges were dropped against him in a holiday home arson case, 1960

Sir Harry Boyne

Henry Brian (Harry) Boyne, journalist: born Inverness 29 July 1910; Political Correspondent, *Daily Telegraph* 1956-76; Chairman, Parliamentary Lobby Journalists 1958-59; Hon Secretary 1968-71; Chairman, Parliamentary Press Gallery 1961-62; CBE 1969; Kt 1976; Director of Communications, Conservative Central Office 1980-82; author of *The Houses of Parliament* 1981, *Scotland Rediscovered* 1984; married 1935 Margaret Templeton (one daughter); died Uxbridge, Middlesex 18 September 1997.

Much of the mystery surrounding the Parliamentary Lobby system has been debunked over the last 20 years, though it still exists in more open form. I shall not, now, receive an official reprint and for writing about it.

Harry Boyne was a stalwart. Political correspondent of the *Daily Telegraph* when many of the current political editors of the media first arrived in the Press Gallery of the Commons to report politics in the early 1970s, he was one of the number of top correspondents whose by-lines we had grown up with.

H. B. Boyne of the *Telegraph*, David Wood of the *Times*, Francis Boyd of the *Manchester Guardian*, Walter



An officer and a gentleman and a Tory: Boyne outside Buckingham Palace on receiving his knighthood in 1976

Terry of the *Mail*, Tony Shrimley of the *Sun*, James Margach of the *Sunday Times*, Nora Beloff of the *Observer*, Ian Waller of the *Sunday Telegraph*, Bob Carvel of the London *Evening Standard* and John Dickinson of the London *Evening News* were all there. Along with Joe Haines, who had gone to No 10 as Wilson's

press secretary. It was a fine generation. They were a desperate but wonderful bunch. They all had their different strengths and weaknesses. Some were flash, others aloof, some flew "kites" – as stories flown by reporters for politicians, to test public reaction; others were painfully reliant on particular sources.

Boyne appeared to be none of those. Dour, but friendly, discreet but meticulously correct in his reporting, he was a fine reflection of the old *Telegraph*.

He would sit in Lobby meetings, listening to press secretaries like Joe Haines (Wilson) and Donald Maitland (Heath), taking down every word in rapid shorthand. The next day, on the front page of the *Telegraph* there would appear an edited, but often verbatim transcript of every word uttered, without sourcing it to No 10. That was Boyne's job and he performed his duty with quiet dignity and superb skill.

Many things changed since Boyne retired in the mid-1970s. He was the last Lobby correspondent to wear the uniform pinstripe trousers and black jacket for Budget Day; Frank Johnson (then of the *Sun*, now Editor of the *Spectator*) would no longer be rebuffed for wearing his mackintosh in the Press Gallery bar; I would no longer be admonished for making notes in a notebook in the Members' Lobby. The Lobby system was a supremely British institution: sub-masonic, full of stuffy pomposity, rank, class, and petty snobbery. Those who had been to public school said it was very much like that, and we were the olds.

Vestiges remain. Some political editors are so insecure

that they need their name on every front page political story; some senior journalists, who should know better, still go into huddles and discuss the way they are going to treat a story – seeking comfort in numbers – and sordid expenses fiddles persist.

Boyne found it difficult to delegate work to his juniors, though the *Telegraph* covered a lot of ground with the wonderful Rowley Summerscales as the reporter who dealt mainly, and superbly, with the internal machinations of the Labour Party. Boyne, to his credit, appeared to be something of a loner. As for expenses, he was said to be so old-fashioned that, when he put in a bill for dinner with a politician, he would deduct the cost of his own meal.

For all that, however, Boyne represented the spirit of an age. Having joined the ranks of the Black Watch at the start of the Second World War, he rose to the rank of Major and was seriously wounded in the advance that followed the Normandy landings. He was an officer and a gentleman and a Tory. And he cared for his colleagues. After the war, he returned to work for an anti-diluvian employer, the notoriously anti-union D.C. Thomson in Dundee – and he was sacked for refusing to accept a ban on his membership of the National Union of Journalists.

That was in the late 1940s. Thirty years later, during a strike at the *Daily Telegraph*, Boyne, wearing his customary dark suit and bowler hat, and carrying a folded umbrella, joined an NUJ picket line outside his paper's Fleet Street office. With courage and his customary politeness he famously handed the owner, Lord Hartwell, a letter of protest. At the time, it was said that the proprietor had rejected the journalists' call for more money, saying: "You can tell the monkeys I'll not be pushing any more nuts through the bars." Some still wonder where the militancy came from.

Boyne was out of work for six months after D.C. Thomson sacked him. It was widely believed that he was denied the expected Hartwell "top hat" pension when he retired from the *Telegraph* in 1976. Wilson, the Labour Prime Minister, gave Boyne a knighthood; the *Telegraph* gave him a kick in the teeth. He was even denied a farewell lunch.

Sir Harry Boyne retired to a job as a court usher at the Old Bailey. In the early 1980s, with Margaret Thatcher as Prime Minister, he served for a while as Director of Communications at Conservative Central Office. Some things never change.

— Anthony Bevins

Matthew Sullivan

Matthew Barry Sullivan, writer and broadcaster: born Toronto 7 June 1915; married 1947 Elizabeth Dayley (four sons, two daughters); died Darlington, Co Durham 7 September 1997.

The life of Matthew Sullivan was shaped by a long, continuing involvement with matters of the spirit, with literary culture and with relations between Britain and Germany.

His influence was probably widest when, as a young man working for the small publishing firm Valentine Mitchell in London, he helped select and commission the first English, 1952, translation of *The Diary of Anne Frank*, after several publishers had rejected the manuscript. He recommended publication also of the first edition of Gerald Reilly's *The Final Solution* (1953), the first detailed study of the Holocaust.

Born in Canada and educated at Rugby and New College, Oxford, Sullivan was studying as a Hanseatic Schol-

Translated into German in 1981, this book together with Sullivan's earlier career with the German language service of the BBC resulted in 1983 in an award from the German Federal government, the Bundesverdienstkreuz (or Order of Merit), for his contribution to Anglo-German reconciliation. Sullivan spent two decades at the BBC as scriptwriter and producer (1953-75), broadcasting to the two Germanies about cultural matters in Britain, an interpreter of Britain to Germans.

He later published two volumes of his own poetry, one of them celebrating his marriage to Elizabeth Dayley, as well as editing a book of selected writings of his friend the renowned Sri Lankan journalist Tarcis Vittachi, a former editor of the *Colombo Times*. At the time of his death he had almost completed a biography of Vittachi, whose courageous journalism had taken him from his native Sri Lanka into exile, where he founded a newspaper called the *Asian*, and became assistant executive director at Unicef.

Like Vittachi, Matthew and Elizabeth Sullivan were members of Subud, an ecumenical spiritual fellowship drawing together people from different faiths across the globe. In this capacity they travelled extensively, particularly to Poland and other countries of Eastern Europe where they had close contacts with political and cultural dissidents at the end of the Communist era. They had only recently returned from an international congress of Subud in Seattle.

This deeply cultured man was buried in the Quaker burial ground at Jordans in Buckinghamshire, a short walk from the family home. His grave is near the Mayflower Barn, where his play *The Nettle and the Mayflower* was performed in 1969, and close to Jordans village, where children of the Quaker Meeting House performed his plays at Christmas. He leaves six children, including a roads campaigner, Mark; a painter, Miranda Richmond; a rock musician, Justin (of New Model Army); and Francesca (Yasmin), an internationally renowned belly-dancer now dancing in Cairo; each of whose diverse careers he enthusiastically supported.

— Paul Trewthell



Sullivan: Anglo-German reconciliation

ar in Germany in 1939 when he was taken to a Nazi rally in Bremen at which Hitler spoke. He recalled being the only person not to raise his arm in the Nazi salute.

Following wartime service as a navigator with the RAF – from which came a novel, *Fibre* (1947) – his knowledge of German took him into military intelligence. A historical study, *Thresholds of Peace* (1979), later recorded the German experience in British prisoner-of-war camps, drawing in part on his own work during the Second World War in dealing with senior Wehrmacht officers.

— M. R. D. Foot

General Georges Bergé



Georges Roger Pierre Bergé, soldier: born Belmont (Gers), France 3 January 1909; married; died Mimizan (Landes), France 15 September 1997.

Georges Bergé, Gascon by birth and a French regular army officer by training, was the first agent to be parachuted into France by the British secret service that dealt with sabotage, the Special Operations Executive.

He and four soldiers from SOE's French independent parachute company dropped in plain clothes, at midnight on 15/16 March 1941, from an RAF Whitley bomber based at Stradishall in Suffolk, into a small wood near Vannes in Brittany. Their task was to ambush a bus that carried the navigators of the Luftwaffe's pathfinder force – then busily engaged in spearheading the "Blitz" on British cities – as they travelled from Vannes

to their airfield nearby at Meuzon.

Mounting this operation at all had raised a small hornet's nest of difficulties with General de Gaulle, whose loyal servants the party were; and had also provided the occasion for a now well-known protest from Sir Charles Portal, Chief of the Air Staff, to Gladwyn Jebb, SOE's executive head. "I think you will agree," Portal had written a month earlier, "that there is a vast difference, in ethics, between the time-honoured operation of the dropping of a spy from the air and this entirely new scheme for dropping what one can only call assassins."

Portal was reminded that the Air Ministry had requested

the operation, and climbed down; but "Savanna B", as it was code-named, failed: the bus no longer ran. Bergé's party scattered over France – he visited Paris, Nevers and Bordeaux himself – and met up at the end of March at Sables d'Olonne on the west coast. Geoffrey Appleyard, who among his other skills was a canoeing expert, came from the submarine HMS *Tiger* to carry Bergé and one other to eventual harbour in Scotland.

Bergé brought back a mass of minor but essential information about daily life and public morale in France, from which much of SOE's early work there derived. The British awarded him a Military Cross,

and de Gaulle a Croix de Guerre. He rejoined his independent company, and took it to Egypt, where he and it joined David Stirling's nascent Special Air Service.

For another operation, he went into Crete by submarine – a Greek one this time, the *Triton* – with Earl Jellicoe of the Special Boat Section and a few trusted friends, in mid-June 1942. They succeeded in blowing up 16 Luftwaffe aircraft on Heraklion airfield. Unhappily, Bergé was captured soon afterwards by the Germans who found him so troublesome a prisoner that they put him away in Colditz castle, the Saxony fortress where they tried to hold the hardest cases. There he again met, the following

year, David Stirling, and they saw the war out together.

Bergé, a captain on "Savanna", was still a major at the war's end. He resumed his career in the French army, and made a further name for himself in the 1950s in the early stages of developing the combat helicopter. He reached the rank of *général de brigade* before he retired in 1962 to Mimizan on the south Biscay coast of France, where his father had been postmaster, and was long a stalwart figure at French and Franco-British SAS and SBS reunions. His English wife, Mary, whom he married soon after he returned from "Savanna", survives him.

— M. R. D. Foot

Announcements for Gazette BIRTHS, MARRIAGES & DEATHS (Births, Adoptions, Marriages, Deaths, Memorial services, Wedding anniversaries, in Memoriam) should be sent to write to the Gazette Editor, The Independent, 1, Cannon Square, Canary Wharf, London E14 5DL, telephoned to 0171-293 2011 or faxed to 0171-293 2010, and are charged at £6.50 a line (VAT extra). OTHER Gazette announcements must be submitted in writing (or faxed) and are charged at £10 a line. VAT extra. Please include a daytime telephone number.

Birthdays

Dr Dannie Absc, physician, surgeon and poet, 74; Mr John Caird, theatre director, 49; Sir George Carland, former Vice-Chancellor, University of Tasmania, 85; Miss Maria Charles, actress, 68; Dr David Drewry, Director, Science and Technology, Natural Environment Research Council, 50; Dr Liam Fox MP, 36; Mr William Franklin, actor, 71; Miss Gina Frattini, fashion designer, 66; Mr Colin

Graham, musical director, 66; Professor Sir Frederick Holliday, chairman, Northumbrian Water plc, 62; Miss Joan Jeff, rock singer, 39; Mr Graham Jones, Headmaster of Repton, 53; Mr Mark Loveday, senior partner, Cozenow & Co, 54; Professor Norbert Lyman, art historian, 70; Sir Nigel Mobbs, Lord-Lieutenant of Buckinghamshire, 60; Lord Moran, former High Commissioner in Canada, 73; Miss Catherine Oxenberg, actress, 36;

Captain Mark Phillips, horseman, 49; Mr George Richardson, chairman and managing director, James Richardson & Sons Ltd, Winnipeg, Canada, 73; Mr John Tomlinson, opera bass, 51; Mr Alan Waterworth, Lord-Lieutenant of Munster, 66; Mrs Fay Weldon, author, 66; Sir John Wicks, former President of the Law Society, 60; Lord Younger of Prastwick, former government minister, 66.

Anniversaries

Births: Anne of Cleves, fourth wife of King Henry VIII, 1515; Michael Faraday, physicist and chemist, 1791; Dame Christabel Harriette Pankhurst, suffragette, 1880; Erich von Stroheim (Erich Oswald Stroheim), actor and film director, 1885. Deaths: Albert Einstein (Albert-Louis Einstein), writer, killed in action 1914; Oliver Joseph St John Gogarty, physician and writer, 1957; Axel

Springer, publisher, 1985; Dorothy Lamour (Mary Lutz Stacey Kaumeyer), actress, 1906. On this day: Sir Philip Sidney was mortally wounded at the relief of the Spanish colony of Zutphen in the Netherlands, 1586; Sir Robert Walpole became the first prime minister to move into 10 Downing Street, 1733; France was declared to be a Republic, 1792; Joseph Smith announced the discovery of the Book of Mormon, 1827; Wagner's *Das Rheingold* was first performed,

March 1869; Independent Television began operating in Britain, 1955. Today is the Feast Day of St Emmeramus, St Felix III (IV), pope, St Laurus or Lo, St Maurice of Agunum, St Salaberga, St Thomas of Villanova and the Theban Legion.

Lectures

Victoria and Albert Museum: Imogen Stewart, "Constable and Brighton II", 2.30pm.

ROYAL ENGAGEMENTS

The Duke of York, Prince, Royal Navy Golf Association, visit the 1997 Inter Service Golf Championships at the Forestry Golf Club, Farnham, Kent.

Changing of the Guard The Household Cavalry Mounted Regiment moves the Queen's Life Guard at Horse Guards, 11am. (A Battalion Scots Guards, in the Queen's Guard at Buckingham Palace, 11.30am. Total provided by the Irish Guards.)

The LAW REPORT resumes with the legal term, on Wednesday 1 October.

14/LEADER & LETTERS

Eyes right for the best show of the party season



EDITOR: ANDREW MARR.
DEPUTY EDITOR: COLIN HUGHES.
ADDRESS: 1 CANADA SQUARE,
CANARY WHARF,
LONDON E14 5DL
TELEPHONE: 0171 293 2000
OR 0171 345 2000
FAX: 0171 293 2435
OR 0171 345 2435

Poor Paddy. By rights, all eyes (forgive the seasonal exaggeration) should be turning to his conference sessions by the sea. It is hard, however, to escape the sense that the Liberal Democrats in Eastbourne just aren't where the action is. In spite of their electoral success in May, the Lib Dems lack bite. Tony Blair's assault on the centre has stolen many of their clothes, try though Mr Ashdown does on the page opposite to conceal the theft. Besides, if it is political fun we are after, our attention is drawn rightwards, Spainwards, Smith-Squarewards. This week, whatever happens at the seaside, the main political chatter will be about the Tory party leadership.

Schadenfreude is a disreputable emotion, and so we must suppress a smile in contemplating the state of the Conservative Party. Our proud former rulers, once so sure of their prescriptions for Britain, have fallen with a sad but oddly satisfying bump – satisfying, because there is

always a part of all of us that enjoys seeing hubris brought down. But eventually the Tories must, for the sake of pluralist democracy, put themselves together again. In the interim, Humpty Dumpty in pieces makes a compelling spectacle.

It seems that whenever two or three Tories are gathered together, there in the midst of them is the spectre of young Mr Hague. We reported on Saturday that the gathering of John Major and Chris Patten around Tristan Garel-Jones's dinner table in Candeleda was not, according to the players at least, a significant event. The leadership and the prospects for Chris Patten were not discussed (we don't think). It is possible also to note Michael Heseltine's renewed interest in the publishing business without remembering his very safe Henley constituency (but only just). Likewise, there is a reading of Alan Clark's public denunciation of William Hague's reform plans which does not amount to a complete repudiation of Mr Hague

(though it's a strain to work it out). And perhaps Kenneth Clarke's self-revelation yesterday as an opponent of Britain's joining the Single Currency in 1999 was an intellectual conversion, innocent of even a thought for party prospects and personalities (maybe). All these assumptions could be made. They are just not very likely.

Add in the machinations at Conservative Central Office, and the simultaneous departures of both the Tory head of communications and Mr Hague's would-be Peter Mandelson, Alan Duncan, and the Tory party looks to be in a sorry state. And in the middle of it all is leader-lite, a man too uncertain, chosen too soon in his political career, a leader whose braggadocio this summer has convinced no one.

Mr Hague's is not, to be fair, an easy office. Thanks to the biases of the national newspaper press, his every movement is scrutinised by an army of over-excitable

right-wing columnists and editorialists. They led the catcalls when Mr Hague appeared at the Notting Hill Carnival – as if there were anything wrong with a youngish Tory leader wanting to show his awareness of multicultural Britain by turning up and drinking out of a coconut. Nor did Mr Hague create the Tory disorganisation – that was accomplished under his predecessors. But Mr Hague has taken responsibility for moving his party forward, and the sharpest criticism that he deserves is that so far he has shown no real appreciation of just what a titanic effort is required.

Nostrums from McKinsey won't do it. The main effort has to be ideological. It involves dismantling the dogmas and the *a priori* into which the Tory party has become locked. It demands policy that runs with the grain of the public's practical concerns. What have the Conservatives to say about improving the education of British children above and beyond David

Blunkett's valiant plan; or about, say, the means of ensuring that private train operators maximise the safety of their passengers?

It is not that Labour has all the answers, by any means. As the novelty wears off, the need for effective opposition to point out Labour's shortcomings will grow. However agile Mr Blair proves in melding centrist and conservative elements into Labour, space will remain for an imaginative party of the centre-right. To fill it, the Tory leadership will have to slough off the certitudes of Thatcherism. And of course there is (still) the looming question of Europe. Here is a recipe for conflict to be sure. The Tories cannot get back inside the tent of consensus politics (and in sight of electoral victory) until more blood has been spilt, and more hard arguments have been fought out in public. That is what Mr Hague and his would-be challengers need: a good hearty row, not a cheerless willed unity.

Post letters to Letters to the Editor
and include a daytime telephone number.
Fax 0171 293 2056; e-mail: letters@independent.co.uk
E-mail correspondents are asked to give a postal address.
Letters may be edited for length and clarity.

LETTERS

Public sector pay

Sir: The dismissive government reaction to public sector pay claims, as summarised in your leader ("Top jobs with tough responsibilities merit top salaries", 18 September) seems hypocritical from the party which rated such high expectations in April.

It is difficult to blame the medical, nursing and teaching professions for expecting fairness from the public sector pay round under a Labour Party which campaigned to "save the NHS" and put "education before dogma" and govern for "the many and not the few".

Labour's election pledges were always wholly incompatible with Tory spending plans and the promises made by both parties to the high earners of middle England. This fact is perhaps now dawning on the British Medical Association, the Royal College of Nursing and the National Union of Teachers. The Cabinet's posturing over their last few thousand pounds is entirely irrelevant: the fact is that the wealthy few like them won't have to pay any extra tax on their big increases to help the public services afford smaller rises for the many.

Dr EVAN HARRIS MP
(Oxford West and Abingdon, Lib Dem)
House of Commons
London SW1

Sir: The announcement by the Chief Secretary on public sector pay confirms why the Prime Minister was right to forgo his £41,000 plus rise, and your leading article is wrong to criticise him.

Yes, we agree that the Prime Minister and his ministers should be paid the salary increases recommended by the Special Review Body last year, as other public sector employees should have received their due increases also.

However, since the rises recommended by the other Review Bodies last year were significantly reduced by staging, and this was after the Review Bodies had taken public expenditure constraints into consideration, it would have been hypocritical in the extreme for the Prime Minister to have accepted his award since it is the Government which is arguing the case for pay restraint.



Depressing public sector pay may serve as a short-term measure to limit public expenditure but it can never be a public sector pay policy in its own right. Neither is performance pay, which you advocate, since it simply redistributes a limited pot of money, demotivating the many to reward the few – as our members have found to their cost in the Civil Service, where performance pay has been established for 10 years.

BILL BRETT
General Secretary
Institution of Professional
Managers and Specialists
London SE1

Tackling car culture

Sir: Some of the recommendations of the Royal Commission on Environmental Pollution ("We are a nation of car addicts", 19 September) are identical with those put forward in our recent report, *Consumers*

and the Environment: Can Consumers Save the Planet?

We think the commission is right. Radical action to tackle our environmentally damaging car culture is an urgent priority if the UK is to play its part in saving this planet.

Encouraging less dependence on private cars and improving car design (more efficient combustion and transmission systems, better aerodynamics and tyre-rolling resistance, lower overall weight) are part of the solution. Alongside the development of an affordable, convenient integrated transport system, this is the only way the UK can hope to meet its Earth Summit carbon dioxide emission goals for 2010. Failure will only intensify the global warming that threatens the planet's future.

DAVID HATCH
Chairman
National Consumer Council
London SW1

Faulty computers

Sir: In your article "Computer timebomb ticks under Labour" (19 September) concerning the problem of computers failing at the millennium for being unable to tell the difference between 1900 and 2000, as they can only recognise the last two digits, you take the Government and Whitehall to task for not dealing with this problem swiftly enough and not providing enough funding. Your article states that Robin Guernier, the executive director of Taskforce 2000, has been granted only £100,000 instead of the £450,000 which he requested. Why should the Government (ie the taxpayer) provide one penny?

The problem is entirely the responsibility of the computer industry; they have been aware of this for many years, and they should deal with it. If my tiny desktop computer, on which I

am typing this letter, and which will be approaching 10 years old come the millennium, already has four digits in the date, then any machine of greater complexity should have been built and programmed correctly. If any company has a computer, certainly one dating from later than 1990, which cannot work with the date 2000 then I suggest they sue the provider of their computer system for selling or leasing them a faulty machine.

Professor A S MILTON
Whaddon, Cambridgeshire

BBC consultation

Sir: While there are many statements with which we would take issue in your leader ("Auntie seems to have forgotten her public duties", 19 September), let us be clear on one point of fact.

The BBC's plans for new services in the digital age, in-

cluding a 24-hour news service, were first set out 18 months ago and were the subject of large-scale public consultation earlier this year.

This process, which was announced to our listeners and viewers on our own airwaves, produced a significant majority in support of our proposals, including 24-hour news.

COLIN BROWNE
Director of Corporate Affairs
BBC
London W1

Ofgas review

Sir: In "Spottiswoode forced to investigate price cuts" (Business, 17 September), you quote an unnamed source (not us) as saying: "Ofgas had said it had no intention of investigating the issue further."

The truth is that British Gas Trading said the PrePay meter tariff was frozen pending a review by Ofgas, which is al-

ready under way. The investigation will take into account BGT's recent request to Ofgas to rebalance its price control tariff caps in line with new cost information.

Ofgas's review will also now provide a response to the Gas Consumers Council's request for an investigation of BGT's recent tariff proposals.

CLARE SPOTTISWOODE
Director General
Ofgas
London SW1

Welsh progress

Sir: On Thursday Wales voted for a measure of self-government. By Sunday Glamorgan had won the County Cricket Championship.

Rapid progress by any standards and, perhaps, a sign of things to come!

RICHARD WELCH
Denbigh
North Wales

Transitory sensations

Sir: I have just returned from seeing, or some would say experiencing, the "Sensation" exhibition at The Royal Academy. There was little intellectual stimulus; the exhibition is based on fashion. It is simply a reflection of this society's obsession with sex. And like all fashions, it is transitory. I could find nothing durable or enduring there. And where does it take us tomorrow? These artists have been given status by the Saatchi Collection and fashion dictates that they are therefore desirable, life-enhancing and, above all, important. An object's ability to shock or appal does not make it important under any guise.

That is except for the painting. The painting is gorgeous. I don't say that just because it is to me a more comprehensible medium, but because I can see the work involved.

I don't dispute that this is a brave, eclectic cross-section of a generation's art – and Rachel Whiteread's sculptures are excellent – but I found myself preoccupied with the concern that my nostrils might be assaulted at any moment and not my intellect. Pickled pig and decomposing bovine heads do not give pleasure or even tickle the wit; they do not prick the conscience or give sanction to a political statement. They assault the psyche, offend the senses and turn the sensitive stomach. Forget boundaries, goalposts and other such illusory parameters. The meaning of art, its very definition, eluded me today at the Academy, whose assured home I thought it was.

JANE FERNBACK SOWERBY
Weybridge, Surrey

Banking at Sainsbury's

Sir: I would like to reassure Jack Campbell (letter, 19 September) and all our customers that at Sainsbury's they will not be held up by customers carrying out banking transactions at the check-out.

Sainsbury's Bank is a direct bank in which all transactions are currently carried out by post or via a 24-hour freephone; cash can be withdrawn from more than 13,000 Link and Sainsbury's Bank cash dispensers.

RICHARD CHADWICK
Deputy Chief Executive
Sainsbury's Bank
London SE1

Switch on 'Period Flavour' and watch someone nick your knick-knacks



MILES KINGSTON

Today's story is set in the wonderful world of antiques.

"And welcome today to Bratden," said John Vavasour, "a great Georgian house in the Midlands, and home to Lady Arica Nelson, who has graciously allowed the TV cameras inside for the first time."

John Vavasour's highly polished smile, so shiny you can almost see your own reflection in it, will be familiar to anyone who has ever seen the television programme *Period Flavour*. Every week he goes round another stately home owned by someone who has a lot of furniture and not much money, and pays them to show him round. It is a way of letting the public into your house without actually having to have them on

the premises. The programme is watched widely by other owners of stately homes, and by burglars, who often get good ideas from watching it.

"Gosh, this pair of Dresden figures in the hall must be worth at least £50,000," John Vavasour was saying.

"At least that," said Lady Nelson. "I have absolutely no interest in the financial worth of the lovely things in my home – to me they are just things I am very proud and fortunate to possess – but certainly the last time I had the contents valued they were put at over £60,000, so they must be pushing £70,000 by now."

Now, it has not gone unnoticed by the owners of stately homes that they tend to be bur-

gled shortly after they are featured on television, so the supply of people willing to be exposed on *Period Flavour* is not as ample as it used to be. And those who do go on the programme tend to take certain precautions, such as locking up their most valuable possessions for a long while afterwards. In Lady Nelson's case, she had gone a step further. She had insisted that if the TV cameras came to her house, the location of the house must not be mentioned, the name of the house must be changed and indeed so must her own name.

This had been done. Bratden was an invented name, for the house was really called Chorlton Court. Lady Nelson's real name was Mrs Gregory-

Aske. Indeed, the woman who showed John Vavasour round the house that day was neither Lady Nelson nor Mrs Gregory-Aske, but an actress playing the part of the owner, for Mrs Gregory-Aske had specifically requested that she should not be seen on screen. John Vavasour had smiled his charming, well-varnished smile, and gone along with the whole deception. He was not in a position to object, really, as John Vavasour was not his real name either, but one which (as Ernest Daggie) he had adopted when entering the unreal world of heritage knick-knacks.

"Here is an absolutely priceless Van Dyck which has been at Chorlton for more than 200 years," said the actress.

"Bratden, darling," said John Vavasour. "We're calling the ghastly place Bratden. Do try to remember. Shall we go for another take on that one?"

That was one sequence which did not go out on TV, and it was for this reason that Chorlton Court was not burgled. What the makers of the programme did not realise was that there really was a house in the Midlands called Bratden, owned by a family called Priston-Mill. Mr Priston-Mill was rather surprised to come downstairs in the middle of the night two weeks later and find two burglars ransacking his sitting room. The burglars were also surprised but they recovered from their amazement first and tied Mr Priston-Mill to a chair

while they proceeded with their learned looting.

"Where's the Dresden figures?" said one of them, leaning over him.

"What figures?" said Mr Priston-Mill, who didn't even like Dresden.

"The ones on the telly. Don't play innocent with me."

"And where's Lady Nelson? If you don't tell us where they are, we'll get her down and she'll have to tell us."

"Who are you anyway?" said the first burglar, rather inquisitively. "Lady Nelson's boyfriend? Butler? I got the impression she lived by herself."

"Blimey, Bill, you don't suppose this is some other bloke who saw the telly programme, and is on the same mission?"

"Hardly likely," said Bill. "Wouldn't come out on the job in dressing gown and slippers, would he?"

"What on earth are you both talking about?" shouted Mr Priston-Mill. "What television programme? What Lady Nelson?"

By the time the confusion had been cleared up, the burglars were on their way out with the spoils, and Mr Priston-Mill, as he sat lashed to the chair, was devising a plan for suing the programme *Period Flavour* for having caused his house to be burgled.

How well he succeeded you can read in the newly published *'Golden Treasury of Antique Skulduggery'*, from which this story is gratefully taken.

The reason billionaires donate so much is a real give-away



**THOMAS
SUTCLIFFE**
ON STATUS AND
THE NEW RICH

"Money was wonderfully plenty," writes Mark Twain in *Roughing It*, his account of the California gold rush. "The trouble was, not how to get it - but how to spend it, how to lavish it, get rid of it, squander it." He goes on to describe the spasms of donation that would occasionally run through the mining towns, some charitable request or other touching off a fierce paroxysm of giving.

The most notable of these is the story of the Sanitary Flour Sack, a 30lb bag of flour originally auctioned to raise money for the care of Union wounded. After frenzied bidding the sack was sold to a mill man for \$250. He was asked where he would have the flour delivered, and replied: "Nowhere - sell it again." When the auction finally broke up, the original owner had taken \$8,000 in gold for the fund - and still held the bag of flour.

The sack then toured other gold towns, with civic rivalry boosting its earnings still further (every town wished to outdo its predecessors in reckless munificence). By the end of its tour it was estimated that it had been sold for a grand total of \$150,000 - and they were still able to bake cakes with the flour and sell those, too.

This story came to mind when I read about Ted Turner's decision to hand over \$1bn to the United Nations, by all accounts the largest charitable donation in history. I once listened to Mr Turner addressing the Edinburgh Television Conference: he was supposed to be talking about the changing nature of broadcast news, but he took time out during his rather erratic speech to suggest a solution to global war. If I understood his argument correctly - and it was not easy to follow - it involved creating a bellicose kind of theme park somewhere in the Caribbean, where contending nations would compete to sink de-commissioned battleships. Whoever got the highest score would win the dispute - without bloodshed. Senior figures from British broadcasting listened in bemusement. Was it a rambling joke? Was he pitching some new kind of CNN game show? Myself, I decided he was quite mad - and at first this latest gesture seemed all of a piece. Give away your money by all means, but why to the UN? Why boil off the profits of your labour in supporting a bureaucracy so cumbersome and byzantine?

But if Mr Turner is crazy, he is crazy like a fox. For one thing, it turns out that he has ring-fenced his gift. It is dedicated to very specific programmes: his money is to be spent

on the ground, not at the Four Seasons. For another, his flamboyant gesture is as much to do with the provocation of others as with a private desire to give something back. He wants to start a gold rush, but this time in reverse - a competitive frenzy in which the rich stampede to show just how much they can give away. And there are some interesting parallels with the communities Twain describes in *Roughing It*. During the first gold rush, fortunes were both volatile and virtual; a man who could not afford to feed his horse at breakfast time might be able to retire by sundown on the strength of his shares in a mine - paper that he might well have bartered for a beer at lunch time. Youth was no bar to success and the conventional pace at which a man accumulated wealth had been discarded.

Much the same is true of those working the great mother-lodes of the late 20th century - media and computing. Teenagers sleeping in garages make paper fortunes overnight. What's more, the sheer scale of the return renders existing valuations of money quite pointless. The *New York Times* recently tried to work out when Bill Gates would become a trillionaire, prompted by the fact that *Forbes's* annual list of the world's richest men had gone out of date within two days: in that time Gates' paper fortune had increased by nearly \$4bn (two of those billions accumulated in one morning). When you have this much money you can buy anything, even the moon. (The Apollo programme spent approximately \$25.4bn between 1961 and 1973. Even allowing for inflation, Bill could probably go there for a fraction of the cost today - the Russians would probably even throw in a complimentary space station.)

But when you can literally buy anything it's usually the case that you start to hanker for the things that don't have a market price. Twain tells the story of a grizzled miner arriving in San Francisco and offering \$150 to be allowed to kiss a stranger's (three-year old) child. He could have been lavishly entertained in the city's finest whorehouse for that sum but it wasn't soft skin he wanted - it was a touch of innocence, a commodity quite unpurchasable in the territories. In a similar way very rich people try to buy two things with their fortunes - once they've finished with the easy stuff like mansions and yachts. They buy remembrance for when they are dead, and esteem for while they are alive.

The useful twist for the rest of us is that these virtuous goods are always offered at auction - they don't come with a sticker price. This operates at all levels of the economic ladder, incidentally. Anyone who has attended a school fund-raising auction will have seen the way that pride and peacock display can be tapped for charitable ends. The poloath ceremonies of the Pacific Coast Native Americans, in which hosts gave lavish gifts to their guests as a display of status, were unusually explicit about the degree of self-assertion involved in such competitions - as part of the ceremony, the host might abuse those who were enjoying his largesse, and even destroy money. In rewriting the rules of social supremacy Ted Turner has revived pet-latch for the world's growing tribe of billionaires. His was a stunning opening bid - and if precedent suggests anything, it won't be the last.

There will be no listing to the left on Captain Paddy's ship



**ANTHONY
BEVINS**
MEETS PADDY
ASHDOWN

The Liberal Democrats, according to Paddy Ashdown, have an in-built tilt to the left. The faithful who were gathering in Eastbourne yesterday for their annual party conference will be undisturbed by that analysis. The radicals might even feel flattered.

Unfortunately, Mr Ashdown is determined that the party should straighten itself up, stomach in, chest out, and toe a more disciplined line. Tony Blair has developed a political game for the Labour Party, called Follow My Lead. Mr Ashdown wants the Liberal Democrats to play the same game.

"The tendency of the party in opposition to a Labour government will be simply to go off further to the left," he told me in a pre-conference interview. "It seems to me more necessary than ever that we should be prepared to become the party of the consumer, not the party of producer interest. Despite the fact that we have a very large element of the party in local government, that is going to be very tough and very difficult."

Mr Ashdown believes the Liberal Democrats must take risks. They must not succumb to the temptations of an easy life, resting on the success of the 46 MPs elected on the night of Labour's landslide. They must boldly search for a fresh appeal. There can be no sacred cows; no pre-determined policies are to be spared. There is to be no flinching from hard choices in finding an identity that distinguishes the Liberal Democrats from Labour and the Tories.

Talk of coalition and a too-cosy relationship with Labour could not be further from the mark. Mr Ashdown wants his party to be distinctive, quick on its feet, and critical.



'In the presidential Americanisation of British politics, we want a third party that is prepared to think, even to think the unthinkable' Peter Macdonald

"The easiest thing for the party," he says, "is going to be to take our position where it says, 'Whatever the Labour Party says, we'll spend more.' It's absolutely vital that we don't do that. What we're interested in is targeted taxes for specific goods, efficiently spent, and that is going to be quite difficult."

"It will be the easiest thing for the party to say, 'Whatever the Labour government does, we will restore.' We mustn't do that. We have to be the party looking at the way money is spent and making sure it is spent wisely."

"The easiest thing is to become the party of big government. I think the future is about finding new ways consistent with progressive politics

of being the party of small government. By which I mean government ought to be less and more about doing, and more and more about commissioning."

"We are talking about a structure that diminishes the size of government, national or local, and sub-contracts much of it out. That's going to be very, very difficult for the party, and easily misunderstood." Not least because it smacks of a tilt to the right.

"The easiest thing for the party," he continues, "is to stand still where it is. That is the most dangerous thing. Unless we are prepared to keep moving, particularly on the ideas agenda, then I think that we will find the ground on which we now stand occupied increasingly by the present government. So

it is absolutely vital that we take risks to stay at the cutting edge of new thinking in British politics."

"The easy thing will be to say, 'We will complain about unemployment without actually tackling it.' And I think we have to think much more radically about unemployment. I want the party to be a radical party. I want it to be thinking ahead. I want it to be intellectually courageous. I want it to take risks with ideas and with policies."

In essence, Mr Ashdown is trying to create the political equivalent of a guerrilla army that hits its opponents hard, moves back and regroup, and strikes again. Unthreatened by New Labour's pragmatism, or the possibility of a desperate

Conservative Party dumping William Hague in favour of the formidable Chris Patten or Michael Portillo, Mr Ashdown believes the Liberal Democrats could run rings around the other two parties.

"My belief is that a third party has something different to contribute to British politics. In the presidential Americanisation of British politics we want a third party that is prepared to think, sometimes even to think the unthinkable," he says. "I suspect that politics, and party political conferences, are increasingly going to be converted into wastelands for the exercise of party discipline. I think there is a role for the Liberal Democrats to be the free thinkers and we have to be prepared to take risks with that."

"The ground is moving: we are seeing a change in the shape of the political superstructure in Britain: we are seeing things being brought on to the agenda for a government of our country which fulfils dreams we have had for 100 years. For us, the Scottish parliament was not the end of a three week campaign; it was the end of a 100-year crusade."

But what does all that imply for the future of the party's most distinctive policy: the proposal to increase income tax by a penny, to pay for improvements in education?

"We have to keep that under review," Mr Ashdown says. "If that is the means by which you can deliver better education, then that is the judgement we should take." However, he adds: "If, during the course of the next four years - I don't predict it - but there are other things we can do to achieve the same ends, we have got to be prepared to review it."

The Liberal Democrat leader says the party needs to take risks to reap the political rewards, but he is not going to be tied down by party dogma, any more than Mr Blair has been.

And in that, Mr Ashdown says he has the good fortune of leading a party which is not hidebound. "I don't think there is an old guard of my party. One of the things I admire about the Liberal Democrats is that it is the only party that doesn't have factions. A faction is a group of people who, whatever the issue, you'll be able to predict the position they will take. It is uniquely not true of the Liberal Democrats."

How Welfare to Work will succeed (yet still fail)



**POLLY
TOYNEBEE**
ON HELP FOR
THE JOBLESS

Labour has staked its social aspirations on the success of Welfare to Work - the Government's one big spender. Over the next five years, starting in January, the huge sum of £3bn will be invested in putting 250,000 young unemployed people into work. But the economic recovery and associated boom in jobs are now running so far ahead of the New Deal that astonishingly, by January, there will only be 120,000 young unemployed left. It is now impossible for Welfare to Work to fail.

But even if it cannot miss its numerical target, the scheme could still waste a great deal of money that would be better spent elsewhere. And it could fail to spend money where it certainly should.

Employment experts are becoming increasingly convinced that the centrepiece of

the scheme is an expensive mistake: the plan to offer employers £60 a week to take on a young unemployed person. Evidence from the United States suggests this bribe is of dubious value. An existing British scheme that exempts employers from National Insurance for taking on the long-term unemployed has been a signal failure. Past experience suggests £60 a week may not tip the balance and entice reluctant employers to give a job to a difficult, risky-looking young person. Meanwhile, some employers are already volunteering to help with the scheme - but because they are public spirited, not because they want the money.

How should we judge the ultimate value for money of the New Deal? It will be hard to measure, for in the end what matters is not the number of people the official statisticians can tick off the register - there will be more than enough of those. What matters is rescuing a relatively small number of wretched and hopeless cases destined by their miserable childhoods to an underclass life or worse. But is that the direction in which the scheme is heading?

Inside the Department for Education and Employment, planning is reaching a crucial stage. Yet those working most closely with the young unemployed are growing increasingly uneasy, as they can get no assurances at all that their highly successful and proven

schemes will be included and funded.

Here is one. Originally a French idea, "Foyers" is a remarkable movement that has taken off all over the country in response to the distressing sight of hosts of young people sleeping rough on the streets or dumped into homeless hostels. Foyers offer accommodation and intensive training, counselling and help for all their needs to the young homeless, unemployed and unskilled. Some 56 have been built in just five years, with another 46

With fewer unemployed young people, there ought to be more money to give the best chance to the worst cases

opening next year. The Foyer Federation has set itself a nationwide goal of 450 by the year 2007, with enough places for 20,000 young people. That, they reckon, would be enough to take in all the homeless and rootless young people across the country and set them on their feet. To date their success rate has been phenomenal.

Everyone thinks Foyers are wonderful. So wonderful that Gordon Brown himself launched Welfare to Work from a Foyer in Camberwell. Tony Blair singled them out for praise in his Peckham housing

estate speech. This is not surprising, for the Foyer movement's ideology is entirely New Labour.

Before Foyers there were hostels which sorted out young people, helped them claim their social security and their housing benefit and helped to get them flats. They were given a roof and a giro but often as a result set up for a lifetime of dependency. Even the limited aspiration of getting them to move on and out often failed: kids from care or from hopeless families couldn't manage their money, bills, shopping or cooking and often ended up back on the streets, thrown out by their landlord or swamped by other homeless squatters moving in on them.

Foyers are firmly anti-welfare dependency. The young people they take in have to sign six-monthly contracts. They are required to train, look for work and take any part-time job they can while on courses. They get literacy and numeracy teaching and attend colleges to gain NVQs or more. They are pointed towards drink or drug projects if they need them. They are taught to cook, shop, clean and maintain their flats in the Foyer, budgeting their tight social security money.

Last week I visited one of the first Foyers in south London. All the residents are black and they come from an area with 60 per cent unemployment among young black men. All these young men and women were homeless, some had been sleeping rough, many came from care and some were ex-offenders. Yet by the time they move out into flats of their own (usually in about a year), half have jobs and another quarter are finishing their training courses. Only two people in five years have failed to keep up the tenancies in their new flats. That is success indeed.

But will that count as success under Welfare to Work? Will the figures reflect the achievement of succeeding with difficult cases? Will it all just be crude numbers of young people getting jobs? The New Deal will allow £250 per person for the period of assessment and preparation for one of four training or work programmes. Foyers need £800 a year per person, because they are giving them far more intensive help. As currently drafted, it is understood that the New Deal rules will not allow the local Employment Service to hand out more than £250 per head to any agency - including the Foyers.

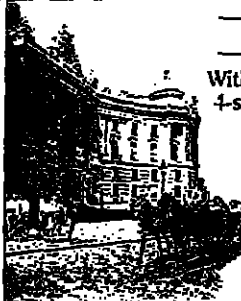
Carolyn Hayman, chief executive of the Foyer Federation, has been beating on the doors of the relevant ministers, especially Alan Howarth, to try to get an assurance that Foyers will be fully funded. No such assurance has been given. The cost of £800 per head a year is being regarded as expensive -

but in fact it is remarkably cheap. Foyers' capital costs are borne by housing associations, housing benefit, the EU social fund and various other sources. But running costs have to be raised, haphazardly and with great difficulty. This money ought to come from central government's Welfare to Work fund, since Foyers are saving what may be whole lifetimes of benefit dependency, bringing in lifetimes of income tax. The standard New Deal plan will not be able to cater for these most difficult homeless cases.

To cover the running costs of all the 450 planned Foyers would only cost £30m a year, less per head than the Rough Sleepers Initiative. That is so little money I had to check and recheck that there weren't some zeros missing. Thirty million pounds is only one per cent of the Welfare to Work budget, a bargain for taking on 20,000 of the most difficult people on the unemployment register.

If the residents of Foyers are not fully funded out of Welfare to Work money, it will be the clearest possible sign that the whole scheme has gone badly off the rails. After all, with relatively so few unemployed young people, there ought now to be more than enough money to give the best chance to the worst cases. Yet so far, there is nothing in the plans that would shift money to these schemes. Here is a task for the new Downing Street Social Exclusion Unit: it needs to step in and put this right.

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HOW TO CLAIM YOUR TWO FREE MAGAZINES

■ Simply collect 3 differently numbered tokens out of the 9 tokens published in *The Independent* and *Independent on Sunday* from Saturday 20 September to Sunday 28 September.

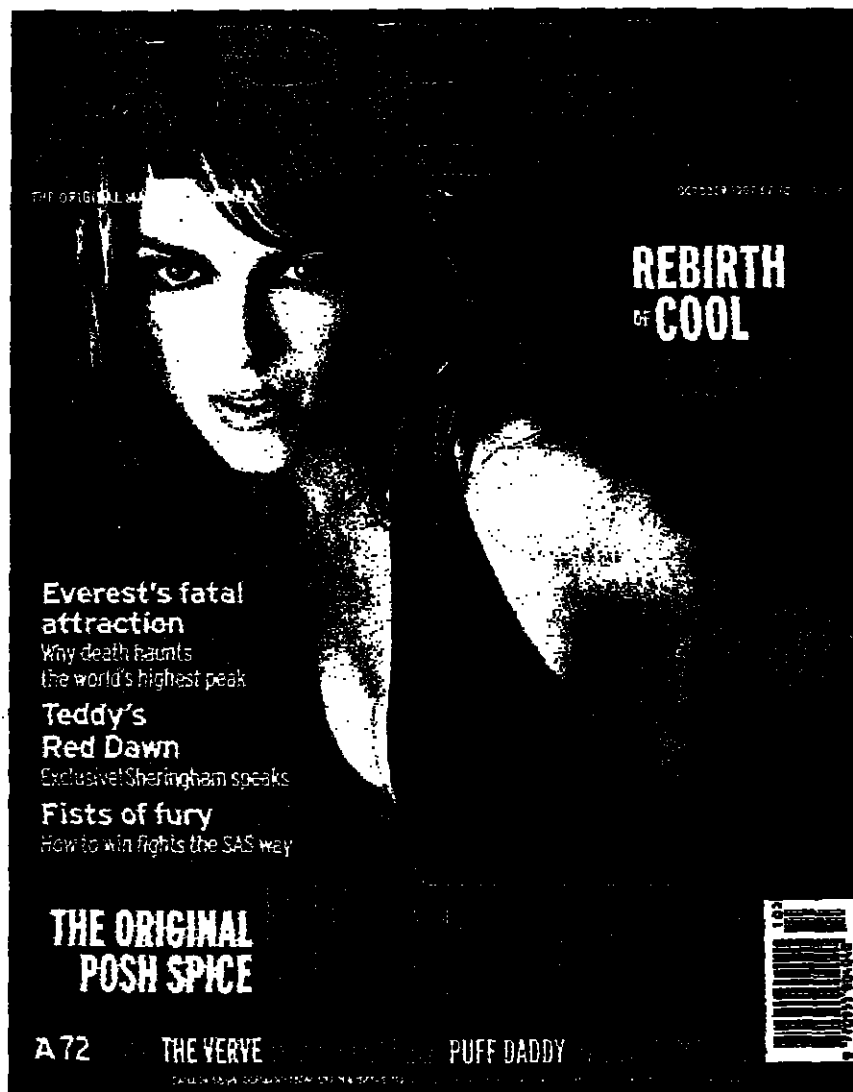
■ Affix the 3 differently numbered tokens to one of the application vouchers published in *The Independent* on Monday 22 September, Thursday 25 September and Saturday 27 September; and in *The Independent on Sunday* on 28 September.

■ Complete the application voucher indicating which magazine you have chosen and exchange this at the local retail outlet stocking your selected magazine.

■ The closing date for claiming your free magazine is Saturday 4 October 1997.

■ To claim 2 free magazines you must use two separate application vouchers each with three differently numbered tokens.

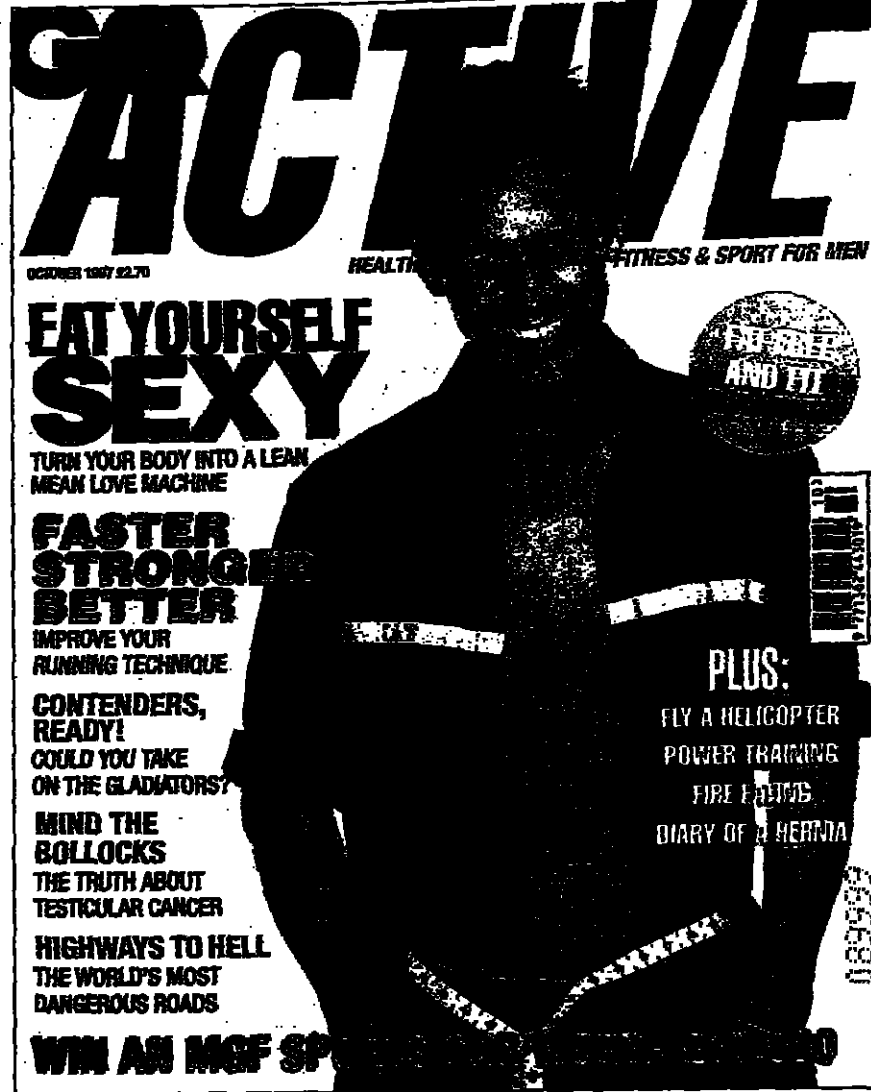
■ Maximum of 2 free magazines per household.



Arena
When *Arena* launched eleven years ago it was the only British general interest magazine for men; now, in the wake of *Arena*'s pioneering launch, there are dozens of men's magazines - or rather boys' magazines. Sorry lads, but *Arena* is Britain's hippest

magazine for men. Launched in 1986, it has often been copied, but never bettered. *Arena* features the finest fashion pages, the most incisive writers, and the very sharpest design. Full of award-winning photography and first-class journalism, its mission is to provide an enter-

taining, memorable and thought-provoking mix of informed writing and arresting contemporary images, encompassing everything from Liz Hurley to Laverne & Shirley. Whether football fan, design buff, or both, all the editors of *Arena* hope you like what it has to offer.



GQ Active
GQ Active, launched earlier this year, has fast established itself as the health, sport and fitness magazine which looks after number one. It's all about achieving rather than surviving. Sport, health, fitness, sex, fashion, life - *GQ Active* is the magazine that

runs on natural adrenalin. Fitness plans to guarantee results, work-out routines from the sports stars, health advice and features, mens grooming - *GQ Active* provides all these, with style. Performance clothing, equipment, gym of the month, extreme sports for those who crave

that little bit more, plus sports writing with attitude. *GQ Active* will help you push yourself to the outer limits.

2 FREE MAGAZINES

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In order to receive your free magazine complete this application voucher, attach 3 differently numbered tokens and exchange them at your local retailer by Saturday 4 October.

I would like to exchange this voucher for one free magazine (October issues only) as indicated below (please tick appropriate box).

Arena	£2.70	<input type="checkbox"/>	GQ Active	£2.70	<input type="checkbox"/>
The Face	£2.40	<input type="checkbox"/>	Tatler	£2.80	<input type="checkbox"/>
GQ	£2.70	<input type="checkbox"/>	Vanity Fair	£2.70	<input type="checkbox"/>

This offer is subject to availability and subject to the other terms and conditions as published in *The Independent* and *Independent on Sunday*. In order to continue to offer you relevant promotions please help us by completing the following information in BLOCK CAPITALS (please tick box when applicable).

Title _____ Forename _____
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1. Age: Which of the following age bands do you fall into?
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The Independent, Condé Nast and Waggon may make names and addresses available to carefully vetted companies. Please tick this box if you prefer not to receive such mailings ☐

To the retailer: Please accept this application voucher together with the 3 tokens as full payment for the magazine indicated above (October issues only). This offer is valid to the consumer up to 4/10/97. Please return this voucher as soon as possible to your supplying wholesaler to arrive no later than 18/10/97. Your supplier will credit you the full cover price plus handling fee. If your shop belongs to a multiple group please handle in the usual way as instructed by your head office. Please complete below.

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THE INDEPENDENT
ON SUNDAY

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Tatler

The October issue of *Tatler* catches up with Christie Brinkley, the cover girl's cover girl, and goes inside her Hampton home. The magazine tracks down the Hollywood Britpack, while Henry Dent-Brocklehurst and fiancée Lili Maltese dress up in butter-soft, sharp-cut, sexy and sleek leather. Plus, is your sofa more a hit-list than a list - *Tatler* assesses the British designers who will help your house look hip, and a tribute to Sir

James Goldsmith, dynamic tycoon, dynastic family man and would-be statesman, through the eyes of his daughter Isabel.

GQ

October sees the 100th issue of *GQ* and celebrates in style with Paul Whitehouse. David Bowie dons Paul Smith. Reservoir Dog Michael Marsden explains how Hollywood's leading hound is creating a new breed of trouble, and Tyra Banks goes back to basics. Plus, Paul Newman's motor-racing passion, the City addicts chasing the dragon and promotion, and the best blather from the last 100 issues of *GQ*.

The Face

The team behind *Trainspotting* are back with a fine romance. *The Face* goes on the set of *A Life Less Ordinary* in Utah, and has a heart-to-heart with the film's stars, Ewan McGregor and Cameron Diaz. Plus: Embrace, the rising British rock band;



Hirox, the 20-year-old Japanese schoolgirl whose titillating pics of her friends is causing a revolution; Lili Kim; board art; John Leguizamo; Photek; drag kings; and an exclusive interview with the Dalai Lama. Sort of...

GQ Active

The health, fitness and sport magazine for men, brings the reader the ultimate eat yourself sexy plan. David Coulthard reveals his hi-tech work-out which is as advanced as the McLaren he drives. Plus, you can improve your running technique, the *GQ Active* trainer top ten, and how to take on the Gladiators. The October issue of *GQ Active* comes with a special edition 256-page guide to Daring Days Out in the UK.

Arena

Exclusive interview with, and sensational photographs of Elizabeth Hurley, the original posh spice. The women who wore The Dress tells Are-

na the fame game isn't funny anymore. Plus: climbing Everest the hard way; Teddy Sheringham's new boots and panties; what they don't teach you at SAS school; how to tell if you've got a small penis; and the problems with Naomi Campbell, Jimmy McGovern and the Cherokee Jeep.

Vanity Fair

Vanity Fair features a special tribute to Diana, Princess of Wales, looking back over her last summer, whether flying to Bosnia to crusade against land mines or finding romance on the Riviera. The decade-long partnership of Domenico Dolce and Stefano Gabbana is explored, the affinity of Weegee, the 1940s crime photographer, for the underbelly of New York is examined, and with virtually every icon of the British stage appearing in an eight-hour, \$13m television adaptation of *A Dance to the Music of Time*, *Vanity Fair* predicts a revival of Anthony Powell's masterwork.

TERMS AND CONDITIONS

1. This offer is only available to residents of the UK.
2. To qualify for the offer, applicants must collect 3 differently numbered tokens together with a completed application voucher. Tokens are published between Sept 20 & 28, 1997. The application voucher is published on Sept 22, 25, 27 & 28, 1997.
3. The tokens and completed application voucher must be exchanged at your local retailer by Oct 4, 1997.
4. Only the application voucher and tokens printed in *The Independent* and *Independent on Sunday* are valid. Photocopies or other reproductions will not be accepted.
5. The offer is for one free magazine per current application selected only from the list featured here and detailed on the application voucher.
6. Maximum of two free magazines per household.
7. The offer is subject to availability. No cash alternatives will be offered.
8. The promoters are The Independent, Condé Nast and Waggon.

'Unscrupulous' Soros fires a broadside at Mahathir the 'menace'

The war of words between Malaysian Prime Minister Mahathir Mohamad and currency speculator George Soros plumbed new depths this weekend as both men defended their corners at the gathering of the World Bank and International Monetary Fund.

Stephen Vines reports from Hong Kong.

The great showdown between the Malaysian Prime Minister Mahathir Mohamad and the financier George Soros got even more personal yesterday when the American-based financier described Dr Mahathir as a "menace to his country."

The previous day the Malaysian Prime Minister said that international fund managers, like Mr Soros, engaged in currency speculation were "unscrupulous profiteers" involved in an "unnecessary, unproductive and immoral" trade.

He called for currency trading to be banned. "It should be made illegal," he declared. Mr Soros described this suggestion as being "so inappropriate that it does not deserve serious consideration." He added: "Interfering with the converting of capital at a moment like this is a recipe for disaster."

According to Mr Soros the idea is so barmy that it is unlikely ever to become Malaysian government policy. Malaysian officials who are clearly embarrassed over this row gave some credence to Mr Soros's position by suggesting that their Prime Minister had been misquoted in a newspaper

article when he said that Malaysia itself would ban foreign currency trading.

Dr Mahathir had previously described Mr Soros as a "moron" and accused him and other fund managers of deliberately creating the crisis that wrought havoc in South-east Asia's currency and stock markets. Both men have been speaking in Hong Kong at seminars held before the annual World Bank/International Monetary Fund meetings which, this year, have been dominated by the Asian financial markets' turmoil in general, and the epic feud between Dr Mahathir and Mr Soros in particular.

"I have been subjected to all kinds of false and vile accusations by Dr Mahathir," said Mr Soros. "He is using me as a scapegoat to cover up his own failure." Twisting the knife even further, he alleged the Malaysian PM "couldn't get away with it if he and his ideas were subject to the discipline of independent media inside Malaysia."

Behind the knockabout between the two men is a serious debate about the extent to which international capital should be allowed to influence the domestic financial markets of developing countries.

Mr Soros yesterday made a thoughtful contribution to the debate, arguing against the notion of a fully *laissez-faire* market system. "I consider it a dangerous idea. The instability of financial markets can cause serious economic and social dislocations."

He argued that if markets were left to their own devices they would "over-react and behave in an indiscriminate fashion". International capital was "notoriously fickle" and the best way to achieve stability "is to mobilise domestic savings for domestic capital formation efficiently."

Dr Mahathir appears to be convinced that "a few people who are in the media and in control of the big money seem to want to see these South-east Asian countries and in particular Malaysia stop trying to catch up with their superiors and to know their place".

He stopped just short of calling this a conspiracy but said these people "have their own agenda, which they are determined to carry out".

Specifically Dr Mahathir has accused the funds controlled by Mr Soros of selling the Malaysian currency, alongside other fund managers who are alleged to have deliberately caused the sell-off on the stock market which keeps plunging to new lows.

Mr Soros said that the accusations about his funds "have no basis in fact". On the contrary, he said, his company had sold the Malaysian currency for two months prior to the crisis and was a buyer afterwards, although it did not take big enough positions to affect the market.

Alongside the battle of responsibility for the Asian financial crisis, Dr Mahathir and Mr Soros are engaged in another festering dispute over the Malaysian leader's advocacy of "Asian values" which Mr Soros dismissed as a convenient pretext for resisting democratic aspirations.

Dr Mahathir believes Western countries are trying to impose their ideological and political agenda on the Asian countries. These controversies have injected a sense of excitement into the often soporific proceedings of the World Bank/IMF meetings.

The talk in Hong Kong last night was whether that excitement would spill over into Malaysia's financial markets when they open today.



Mahathir Mohamad, Prime Minister of Malaysia: His slanging match with George Soros has riveted delegates in Hong Kong. Photograph: Reuters

Treasury ordered to open books

It is just over five years since "Black Wednesday", when speculators like George Soros forced the pound out of the European exchange rate mechanism. If it ever happens again, we will know exactly how much it is costing the Government to try to prop up the pound, as Diane Coyle, Economics Editor, reports from Hong Kong.

The Treasury is to start publishing full details of official transactions in the currency markets which use the Government's foreign exchange reserves to influence the pound's exchange rate, the Chancellor of the Exchequer announced yesterday.

Speaking during his first visit to the annual meeting of the International Monetary Fund, Gordon Brown said he was "opening up the books" to public scrutiny as the next step in making economic policy more accountable.

The move, which puts the UK well ahead of most other countries in terms of openness, means that in future the cost of any effort to prop up the pound during a currency crisis would be known shortly afterwards. There is no authoritative figure for the cost of Black Wednesday, 16 September 1992, although recent estimates put the loss to the Treasury at more than £4bn.

Although Mr Brown is not planning to rake over history, he said that in future the Treasury would publish a quarterly statement of the net transactions using the £41bn worth of official reserves in the "forward" foreign exchange markets. These trades based on expected future levels of exchange rates, carried out by the Bank of England on behalf of the Government, are used to influence the level of the pound.

The Chancellor said: "This is open government in action." He described the move as part of the process of bringing more openness to policymaking, which will also include a Green Budget in November. If there were another sterling crisis, the government would say what steps it was taking and how much they cost.

Mr Brown's latest move came as he and other finance ministers from the G7 encouraged other countries to build up their credibility with the financial markets by publishing more information.

Unctad seeks controls on \$1,700bn multinational cash flows

With the global scramble to attract foreign investment growing more intense, the United Nations Conference on Trade and Development has warned about the dangers of investments from vast transnational corporations and has joined the call for more regulation on capital flows.

Stephen Vines reports from Hong Kong.

Launching Unctad's 1997 World Investment Report yesterday, Rubens Ricupero, Unctad's secretary general, said the recent financial upheaval in South-east Asia was threatening to have an unfavourable impact on the real economy, especially as developing countries "are now more dependent on highly liquid capital inflows".

Mr Ricupero called for measures to control these inflows.

The report shows that the world's 100 biggest multinational companies, most of which are American- and British-based,

own \$1,700bn of assets in their foreign affiliates and thus control about a fifth of global foreign assets. This small group of companies also accounts for \$2,000bn of global sales and employs close to 6 million.

This awesome power is a source of concern to Unctad which is calling for international action to control anti-competitive practices by these firms, arguing that individual countries lack resources to individually keep a rein on the multinationals.

Mr Ricupero said most countries were

moving towards liberalisation of foreign investments. The biggest problem was to get international agreement on ways of putting a cap on wars of incentives to lure multinationals.

The trend for increased direct foreign investment is clearly still on the up. Last year inflows grew to a new record of \$349bn in terms which could be directly tracked by Unctad. However, the organisation believes internal transfers within multinational corporations and other investments which do not pass through government in-

vestment agencies are likely to be four times greater than this sum, implying a total investment inflow of \$1,400bn.

However this does not mean that all these capital flows are producing new capital for industry. Unctad estimates that as much as 47 per cent of direct foreign investment is devoted to merger and acquisition activity. The bulk of investment flows between the US and Europe, the biggest exporters of foreign investment. Developing countries received only 34 per cent of global inflows in 1995-1996.

Merger brings financial super union a step closer

The creation of a 200,000-strong "super union" for the finance sector looks increasingly likely after a key decision by one of the prospective partners. Barrie Clement, Labour Editor, looks at moves towards the establishment of the biggest finance union in Europe.

The dream of one union for all workers in the finance industry has come a critical step nearer after leaders of UNIFI, a union with 46,000 members at Barclays Bank, voted last week to set in train a merger with the Banking Insurance and Finance Union (Biflu) and the NatWest Staff Association, whose executive is expected to make a similar decision today.

Union officials believed the national executive of UNIFI would be hardest to convince.

The new organisation - it would be the largest finance union in Europe - is set to be established next summer after ratification by ballots of members. Union officers said yesterday that further mergers were expected with other employees' groups, including staff associations in the building society sector.

Union activists are keen to present a united front against management in the face of large-scale redundancies in the industry and company mergers. The union amalgamation will also deliver considerable economies of scale for the new union as membership continues to decline.

Paul Snowball, general secretary of UNIFI, said the new organisation would bring an end to divided representation at banks and would create a "cohesive and powerful" new grouping.

It is likely that moves towards amalgamation with the MSF white collar union and IPMS, the union for scientists and technologists in the public

sector, are now likely to be abandoned. A special conference of the UNIFI will meet on 23 October to discuss the executive's recommendation.

Rory Murphy, leader of the NatWest Staff Association, described the decision by UNIFI as "fantastic news" and predicted his executive would make a similar decision today.

"We have been pushing for this for two years," he said. Ed Sweeney, general secretary of Biflu, said that previous attempts at merger had broken down, because of personality clashes. "Now the old animosities have been put aside and finance workers can look forward to a strength which a united front will give them," he said.

He urged the Lloyds TSB staff association to join and said he believed that in the long run it was possible it would include MSF and IPMS. The new organisation will remain unaffiliated to the Labour Party, but it is believed that the bigger the union the greater will be its influence on government.

Orange pips rivals with savage cost cuts

Orange, the UK's fastest-growing mobile phone network, will today unveil a bid to revolutionise the market for international phone calls, by slashing the cost of all its overseas calls to a price 20 per cent below British Telecom's.

As Chris Godsmark, Business Correspondent, reports, the move is likely to cause turmoil for both BT and Orange's mobile rivals.

Huge price reductions by Orange, backed by a high-profile advertising campaign, are the most significant development in the intensely competitive international call market since the explosion of discount resellers, the bucket shops of the phone business.

From 1 October the cost of most calls from Orange phones will plunge to just 20 per cent of their current price and only 15 per cent of the price of the Vodafone and Celfnet networks. The boldest move is on the London-New York route, the world's busiest international phone corridor, where a five-minute daytime Orange call will drop from £4.30 to 88p, including VAT. The equivalent call made from a BT phone would be £1.17, using the company's standard tariff, and would cost £6.46 on a Celfnet handset.

A five-minute peak-time call to Tokyo would cost £3 on Orange, compared with £3.84 on BT and £5.63 on the Vodafone. Calls to Europe will see similar reductions, with a five-minute call to France dropping from £2.88 to £1.06 on Orange, against £1.42 on BT. In fact, on some routes, it will be cheaper to phone abroad using Orange than to phone numbers within the UK.

The price cuts will also apply to Orange customers who use their handsets abroad in countries where the network has signed up so-called roaming agreements. Previously, subscribers paid a similarly high price to have these calls routed from the UK to their handsets.

Hans Snook, Orange's group managing

director, said: "We believe there is no reason the cost of phoning abroad should be as high as it is; consequently, from 1 October, it won't be for Orange customers."

The reductions are the clearest indication yet of how increasing competition is driving down the wholesale price of phone capacity on international routes. At the end of last year the previous government opened the market to full competition, ending the decade-long duopoly between BT and Mercury on traffic from the UK to other countries.

More than 40 rival companies, including recently established businesses like Energis, have since obtained international licences. Some are already selling bulk capacity at rates well below BT's. Orange would not reveal which companies it was buying capacity from, but said several operators were involved.

The cuts were also made possible because Orange has agreed cheaper rates with overseas fixed-line companies to pass the calls on to their final destination. An Orange spokesman said the company was still able to make a profit on all routes with the new prices.

Orange could not say whether its calls would remain cheaper if BT cut its own international prices. "We haven't thought about that yet," the spokesman said. In the space of 12 months BT has already made two big price cuts on international routes, knocking 23 per cent off weekend calls last September and 20 per cent off calls to the US in February. BT's international calls revenues are falling substantially despite a rise in call volumes.

BT is likely to point out that its charges would still be slightly cheaper, or no dearer, than Orange's if customers used its Friends and Family and Premier Line discount plans. They offer a 25 per cent reduction on BT's standard tariff, though Friends and Family discounts are limited to 10 most-frequently-used numbers.

The biggest casualties from Orange's surprise announcement will be its two main rivals, Vodafone and Celfnet, which hold most of the market for international calls from mobile phones.

Frosty response to Brown's debt relief proposals

Tensions emerged within the Group of Seven at the weekend over Gordon Brown's initiative, launched last week, to speed up debt relief for the poorest countries. Although the IMF said it would explore the Chancellor's proposals, the German government in particular gave a frosty response to his plan for faster cuts in interest repayments that threaten to overwhelm some developing nations.

A German spokesman said: "Mr Brown can certainly present his position. But we are not familiar with it. We shall have to wait and see." Campaigners, led by the Jubilee 2000 coalition, reacted with a warning that according to United Nations figures 21 million children would die in Africa alone, for lack of money for sanitation and basic health care, if the rich governments did not agree to provide debt relief by the year 2000.

Spokeswoman Ann Pettifor said: "Mr Waigel, Mr Rubin and Mr Mitsuoka, the finance ministers of Germany, the US and Japan, should bear these appalling human costs in mind as they debate in Hong Kong, and should follow the lead given by Gordon Brown."

She pointed out that Germany had been granted massive debt relief by the international community after the Second World War, yet it was now dragging its heels on far more modest assistance for countries like Mozambique trying to recover after a war.

\$245m orders for Airbus jet

Airbus Industrie will today announce the first orders for its new corporate jet. Costing \$35m, the A319CJ is the ultimate in executive travel, featuring a full-size meeting room, bedroom, private bathroom and even a mini-gym. In normal commercial service the A319 seats 124. But it has been reconfigured for business use to carry as few as 10 executives non-stop from London to Dallas or Paris to Singapore. Airbus says the A319CJ has three times the floor space of other business jets and can even be configured for medical evacuation. John Leahy, senior vice-president commercial, will announce orders worth \$245m for seven of the new aircraft at a business jet show in Dallas. Airbus will not, however, be disclosing the identities of the buyers - a range of corporate and private customers.

MAM leads payphone buyout

Mercury Asset Management is leading a \$56m buyout of New World Payphones, an independent company which operates almost 7,000 payphones in the UK. Mercury is investing £12m for a 37 per cent stake. New World Payphones, which is headed by former British Telecom managers, is the leading independent operator of payphones after BT. The company intends to establish a pre-paid phone-card business and to explore opportunities in electronic banking.

Aran Software heads for AIM

Aran Software, the specialist computer software company, is coming to the Alternative Investment Market valued at between £12m and £15m. Buckinghamshire-based Aran, which is raising £5m of new money, was founded in 1989 by Adrian Batten. Turnover for the year to March was £2.6m with losses of £390,000. Grant Thornton are the advisers and Burrough Johnstone is broker.



GERALD HOLTHAM ON MUTUALITY

The public benefits of co-operatives

Recently, I had lunch at an august financial institution in the City. After we'd talked about the really important things like whether old Joe was still the leading light fund manager and why young Priscilla had moved banks, we got down to business. They wanted to talk about mutuals. And not how to polish off the last few mutuals in the financial sector. No, the talk was about how to create new examples of mutuality in public services and utilities.

Why should hard-nosed money men want to create institutions whose shares cannot be tracked on the market? The answer is they had recognised something that politicians are only beginning to suspect. Namely that the mutual structure is well suited for certain public services – better than a simple privatisation and a whole lot better than leaving the operation in the public sector and subjecting it to torture by the Private Finance Initiative (PFI).

With the market man's usual optimism they reasoned as follows: If this was the best thing to do, sooner or later someone would do it. If my hosts had meanwhile worked out the problems, they could make a pound or two by offering sound advice. Moreover, this was not just a British thing.

If the UK government mutualised a utility, that would create a whole new product for the British financial sector to export. Those foreign governments with services unsuitable for privatisation might be only too happy to follow this new example.

Mutuality has been under pressure in the financial sector, as everyone knows. How can it be struggling there but be the idea of the future for some utilities and public services? The answer lies in the structure of the product market. Financial services are competitive, nothing is more so. The average customer/member of a mutual building society or insurance company does not value his or her voting rights. If the society does something they don't like they simply move the account. They trust the competitive market to protect their interests. In economist's jargon, with "exit" so easy, "voice" is given little importance. Now consider water, or air traffic control. You don't like the service? Tough. Your only choices are to bathe in milk or fly somewhere else. In those circumstances a voice in the governance structure is highly valued. And the bigger your commercial exposure to the service in question, the more valued that voice is.

Of course, it is generally an option to privatise the service and regulate the price. With no possibility of competition, however, the regulation tends to become pervasive and highly politicised, losing much of the benefit of privatisation. Moreover, the greater a monopoly something is, the less risky it is to run and the less reason there is to pay super-normal returns to private shareholders. Mutuals would finance themselves by issuing bonds or, perhaps, preference shares. Consumers would pay less since their finance costs would be only a little more than the UK government pays on its bonds – way below the returns institutional shareholders demand.

British privatisations have, on balance, been a success but much more so in some sectors than others and (as a recent study for the IPPR shows) the distribution of gains has been lousy. The shareholders have generally done very well (hence the windfall tax), the customers have done all right to so-so and the employees have been skinned. Mutuality, by putting the customers in charge, could distribute the gains better without the need for price control or regulation, which can always become a political football.

There are, of course, potential problems with the management of a mutual just as there are with PLCs. Some people fear that the consumer-elected board would not be able to stop the management getting lazy and indifferent without the takeover threat. But the board can stimulate such a threat by franchising the entire management, perhaps to a commercial company, and instructing it to achieve a range of targets. If the targets are missed, the management loses the franchise and is replaced. The board itself would be kept honest by having to stand for election. Its main concern would probably not be millions of domestic consumers but the smaller number of companies and local authorities who were big consumers of its product. They would have enough commercial exposure to take a close interest in how the mutual was run.

The sad fact is that in the UK the state has generally made a crummy capitalist. It has chronically denied finance to its enterprises because of concerns about public borrowing statistics. And whatever the theory, it has seldom left managements at arm's length to manage but interfered with pricing and other decisions on political

grounds. Mutualisation removes artificial borrowing restrictions and day-to-day political interference, at a stroke.

As an idea, it fits well with the Blair agenda. It conforms with the anti-statist mood and chimes well with the trend to devolution – unbundling government and allowing people, in this case consumers, to take more responsibility.

Where might the Government start? The obvious place is Scottish water. There is a manifesto commitment to retaining "democratic control" but the companies are strapped for investment funds. And this is a case where PFI is not suitable. Moreover, there is a sweetener for the Treasury. The Scottish water companies are carrying debts of £1.3bn. If the assets were given away to consumers in a mutualisation, those debts would be given away too. The companies would refinance them and repay the Treasury. Hey presto, a nice lump sum off the PSBR, just like an old-time privatisation.

'Effects of UK Utility Reform', Dr Eleni Markou and Professor Catherine Waddams Price, IPPR, 1997.

Gerald Holtham is the director of the Institute for Public Policy Research

Arnault plans new assault on drinks merger

Bernard Arnault is poised to renew his campaign against the £23bn merger between Grand Metropolitan and Guinness in the next few weeks. Mr Arnault, the head of French luxury goods group LVMH, plans to meet more investors of the two UK drinks companies in an attempt to gain enough support to block the merger.

LVMH owns more than 11 per cent of both GrandMet and

Guinness and is the biggest shareholder in both groups. It needs 25 per cent of the shareholder vote to block a deal.

A spokesman for LVMH said: "Mr Arnault is going to meet GrandMet and Guinness shareholders over the next few weeks and months."

LVMH also confirmed that Mr Arnault had travelled to the US recently to meet institutional shareholders.

Industry sources suggest Mr Arnault will resume his attack on the merger after LVMH's financial results tomorrow. Guinness also announces its half-year results the same day.

The new offensive is likely to lead to another meeting between Mr Arnault, Tony Greener, the chairman of Guinness and George Bull, his counterpart at GrandMet. Mr Arnault is also believed to be

drawing up new strategies to block the deal in the event that any new talks break down. "There is a lot going on behind the scenes but nothing we want to make public at the moment," the LVMH spokesman said.

Mr Arnault wants to force through a three-way merger between Moët Hennessy, LVMH's spirits arm, and IDV and United Distillers, the spirits businesses of Grand-

Met and Guinness respectively. Guinness and GrandMet are also facing difficulties in getting the merger past competition authorities on both sides of the Atlantic. The merged company, which will be called GMG Brands, is believed to be batching plans to hive off some of their leading spirits brands in order to clear the deal with the European Commission.

—Andrew Yates

Rogers defends ITC licence proposals

Peter Rogers, chief executive of the ITC, said at the weekend, that the annual £400m tax paid to the Government by the ITV companies "will fall somewhat", and that programme budgets would be taken into account in deciding licence fees.

Mr Rogers was speaking at the bi-annual Royal Television Society Convention in Cambridge, as ITV companies considered the ITC's proposals

for licence renewal. He was responding to charges from Melvyn Bragg, controller of arts at LWT, that ITV's levy should be reduced or shared.

Mr Bragg argued that, since ITV companies bid for their licences, the network's advertising income had been eroded by the explosion in the number of channels. He said that whereas the BBC still had a monopoly over public money,

ITV no longer had a monopoly over advertising money. Programme quality would suffer as a result, he said, and suggested that ITV should "get a slice of the BBC's licence fee". Although Mr Rogers appeared sympathetic to parts of Mr Bragg's argument, he said that of ITV's financial difficulties remained unconvincing as ITV companies "paid very large sums to buy each other".

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A fresh start in the land where eagles dare

It was bought by an American billionaire for his wife because it was near Balmoral. But as Stephen Goodwin reports, the nation has had to intervene to save the huge Mar Lodge estate in the Cairngorms

When billionaire John Kluge bought the 77,500-acre estate, sight unseen, so his wife, a former belly-dancer, could rub shoulders with the Royal Family, conservationists were tearing their hair out.

The estate was so stuffed with red deer (stalking was Mar Lodge's *raison d'être*) that remaining parts of the ancient Forest of Caledon looked to be doomed through overgrazing. None of the Scots pines, which are the glory of glens Derry, Lulbeg and Quoich, were less than 150-years-old. Deer were eating all new growth.

Plantation fences were a deadly hazard to the rare capercaillie and blackcock, while higher up, in the realm of the golden eagle, vehicle tracks and the walker's boot were scarring the hillsides. Despite the notional protection of a raft of nature and landscape designations, the mountains and glens of the southern Cairngorms were being seriously degraded.

Then fortune, or fate, intervened. In 1991, fire gutted the lodge (built in 1895 for Princess Louise, the Duchess of Fife and grand-daughter of Queen Victoria) and in the same year John and Patricia Kluge separated.

Mr Kluge restored the lodge

at a cost to his insurers of a reported £4m and put it and the estate on the market. In 1995 it was secured for the nation by the National Lottery. Mr Kluge had paid £7m for Mar Lodge, and settled for £5.5m. An anonymous donor, the Easter Trust, contributed £4m and the Heritage Lottery Fund £10.2m, most of which is "endowment" money. The estate could never pay its own way.

The new guardians, the National Trust for Scotland, faced a daunting task. Whole cultures had to change; not just that of estate workers and Braemar locals comfortable with the routine of an essentially Victorian sporting estate, but also the Trust itself. The charity has struggled to live down a poor reputation for "wild land" conservation, largely the result of its eyesore visitor centres at Glencoe and on Ben Lawers. There will be no visitor centre at Mar Lodge.

But nose into the glens and up towards the high mountain plateau today, and it is clear that the Trust has made a good start. (A final judgement may not be possible for 200 years). Miles of fencing have been removed and plantations of 25-year-old Scots pines thinned and cleared of "exotic" non-native sitka spruce and lodge poll pine, to give a more natural appearance.

Deer numbers have been drastically reduced and young saplings are once again emerging above the heather. Estate vehicles have been barred from many of the higher tracks. Stalkers and forest workers will have to make more use of ponies, though finding skilled pony-men and women is a problem.

Mar Lodge estate is crucial

to long-term conservation in the Highlands. From the rough pasture by the Dee, it reaches to the semi-arctic heart of the Cairngorms. Four of Britain's highest mountains are here, including the second highest, Ben Macdui, at 4,296ft.

The Trust's actions are being watched closely by neighbouring estates. Conservation is expensive, but increasingly it will be difficult to ignore Mar Lodge's examples. To the west, the 42,000-acre Glen Feshie estate is on the market for £6m, and the pressure is on for public ownership. The "black hole", to quote Trust rangers, in

the Cairngorms jigsaw is the Aviemore ski area on the north side of the range. A chairlift company is pressing ahead with its plans for a funicular railway which would reach to within 2.5 miles of the estate boundary.

Some 3,500 red deer roamed the estate when the Trust took over. The target is to bring the number down to 1,600 by the year 2000. It is a hard task for Stuart Cumming, head of the five-man stalking team. Though they still wear heavy tweeds and take clients on to the hill at £250 a stag, the stalkers' traditional role has been turned on its head. Nine freshly shot stags hung

in the lodge deer larder one evening last week, but it had been a good day. Poor weather, or a client who wants to call it a day after killing one animal, slows down the cull. Not unreasonably, the stalkers wonder what will happen to their way of life once the job is done.

Other dilemmas remain for the Trust. Its top priority, as set out in the management plan, is conservation and restoration of the "wild land quality". Second comes public access and third is managing the land as a sporting estate. Sometimes objectives conflict. "The long walk-in shall

be maintained at all times and the hills shall not be made easier or safer to climb," states the plan. Signs have been removed from the interior of the estate and efforts will be made to "dissuade" mountain-bikers from using tracks away from the main valley. The Easter Trust wanted bikes prohibited altogether, but the two Trust rangers acknowledge policing would be an impossible task.

Mountain bothies also pose a problem. The high shelters act as a lure. Corrobor bothy, handily situated in the Lairig Ghru, the granite-walled trench that bisects the Cairngorms, sleeps

a cosy six, but sometimes more than 20 have squeezed in. Rubbish and human excrement have piled up around it. Yet the bothy, once a shepherd's shelter, is also a part of mountain history and has saved lives in foul weather. The bothies are under observation. Their guardian bodies have been told that, unless "substantial improvements" are made by 2000, the Trust "would not hesitate" to close them.

Some improvements will take longer. In 1963 the then Swiss owners, the Panchaud family, had a track bulldozed for five miles almost to the top of

Beinn a' Bhuidh (3,924ft) in the vain idea of developing the area for skiing. It is, as head ranger Pete Holden put it, "like a scar across the Mona Lisa", visible from miles around. Experimental restoration work has begun.

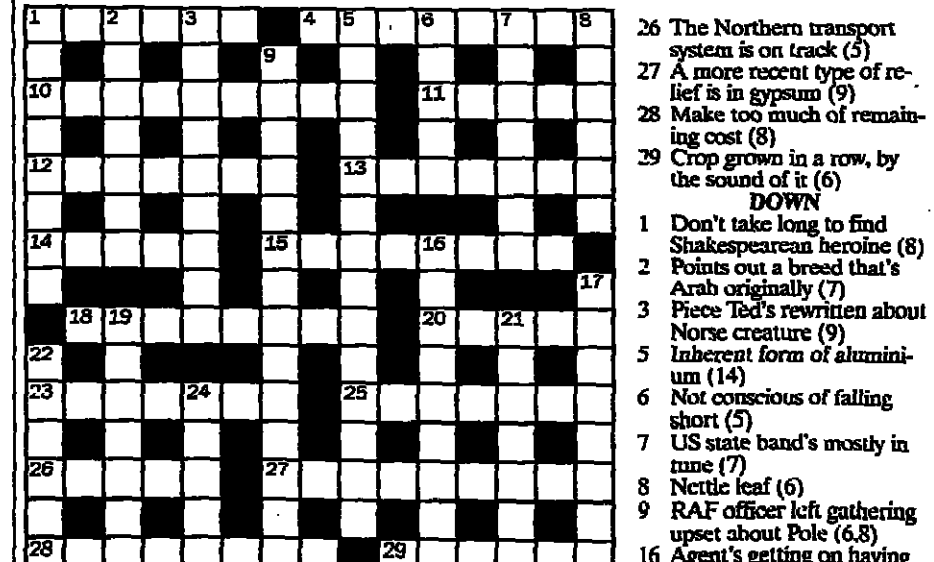
The Trust is not looking for more visitors to the Mar Lodge estate but for an understanding of the long job of enhancing the wild land quality. The sight of four golden eagles as we climbed, then crossed, the wide open plateau of Beinn a' Bhuidh was perhaps a sign that nature is responding to the new management.



Wild at heart: Deer in the larder at Mar Lodge (left) after a day's stalking last week. Estate manager Toby Metcalfe (above) and his staff must reduce the deer population to 1,600 to restore balance to the ecosystem
Photographs: Colin McPherson

THE INDEPENDENT CROSSWORD

No. 3418, Monday 22 September By Fortia



- ACROSS**
- Cut down the middle portion that's dry inside (6)
 - Composer's friend is embraced by society girl (8)
 - Article in which I'd learn about hormone (9)
 - Depth of split reveals ambition (5)
 - Kean beginner involved in sport is violently shaking (7)
 - Hesitation of member plunged into labour chaos (7)
 - French general in the Second Empire (5)
 - Trouble about sorting out study period (8)
 - Share of attention (8)
 - Father's elected to make a quick visit (3,2)
 - Henry's stuck with wrong fish (7)
 - Ring as it happens contains popular gemstone (7)
 - Altering arrangement that's inbuilt (8)
 - Rushed up with class report (7)
 - Potion to trickle through, say (7)
 - Arrive at the centre inside segregated area (6)
 - Run after worthless dead-beat (5)

26 The Northern transport system is on track (5)
27 A more recent type of relief is in gypsum (9)
28 Make too much of remaining cost (8)
29 Crop grown in a row, by the sound of it (6)

DOWN

- Don't take long to find Shakespearean heroine (8)
- Points out a breed that's Arab originally (7)
- Piece Ted's rewritten about Norse creature (9)
- Inherent form of aluminium (14)
- Not conscious of falling short (5)
- US state band's mostly in name (7)
- Nettle leaf (6)
- RAF officer left gathering upset about Pole (6,8)
- Agent's getting on having received one carbon copy (9)

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